DOCUMENT RESUME

ED 423 612 EA 029 425

AUTHOR Berman, Paul; Nelson, Beryl; Ericson, John; Perry, Rebecca; Silverman, Debra
TITLE A National Study of Charter Schools. Second-Year Report.
INSTITUTION RPP International, Emeryville, CA.
SPONS AGENCY National Inst. on Student Achievement, Curriculum, and Assessment (ED/OERI), Washington, DC.
REPORT NO SAI-98-3033
ISBN ISBN-0-16-049752-3
PUB DATE 1998-07-00
NOTE 140p.; For the executive summary of this report, see EA 029 424.
AVAILABLE FROM U.S. Government Printing Office, Superintendent of Documents, Mail Stop: SSOP, Washington, DC 20402-9328.
PUB TYPE Reports - Research (143)
EDRS PRICE MF01/PC06 Plus Postage.
DESCRIPTORS *Charter Schools; Educational Assessment; Educational Change; Educational Finance; Elementary Secondary Education; National Surveys; Nontraditional Education; Policy Formation; School Administration; *School Organization

ABSTRACT

The second-year report of the National Study of Charter Schools updates information on charter schools presented in the first report of the study. The study is a 4-year research effort (September 1995 to September 1999) intended to document and analyze the charter-school movement. It was designed to provide information about what kind of charter schools become operational, about factors that influence charter schools' development, and about how schools are implementing their charters. The second-year report presents information about charter schools for the school year 1997-97 and is based on a telephone survey designed to collect data from the 428 charter schools in operation at that time. The report is also based on site visits to 91 charter schools. It places charter schools in perspective by looking at their operations, accountability, and impact on public education. It demonstrates state approaches to the charter concept, including legislative mandates, and focuses on characteristics of charter schools, students of charter schools, why charter schools are started and what attracts parents to them, and challenges in the implementation of charter schools. Five appendices offer information on the study's research design, a state legislative overview, and other information. (RJM)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

EA

ED 423 612

A National Study of Charter SCHOOLS

Second-Year Report

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

1998

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT
U.S. DEPARTMENT OF EDUCATION

EA 029 485

A National Study of Charter SCHOOLS

Second-Year Report

RPP INTERNATIONAL

Paul Berman
Beryl Nelson
John Ericson
Rebecca Perry
Debra Silverman

1998

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT
U.S. DEPARTMENT OF EDUCATION

U.S. Department of Education
Richard W. Riley
Secretary

Office of Educational Research and Improvement
C. Kent McGuire
Assistant Secretary

National Institute on Student Achievement, Curriculum, and Assessment
Joseph C. Conaty
Director

July 1998

This study was funded by the U.S. Department of Education. The content does not necessarily reflect the views of the Department or any other agency of the U.S. Government. This publication is in the public domain. Authorization to reproduce it in whole or in part for educational purposes is granted. The full text of this publication is available at the Department's home page at **http://www.ed.gov**.

For sale by the U.S. Government Printing Office
Superintendent of Documents, Mail Stop: SSOP, Washington, DC 20402-9328
ISBN 0-16-049752-3

Table of Contents

List of Exhibits v

Preface ix

Acknowledgments x

I. Charter Schools in Perspective 1

A. A Framework for Studying Charter Schools 1

B. The Study's Research Questions 3

C. Research Questions Not Addressed at This Time or Not Addressed by the Study 6

1. Charter School Operations 6

2. Autonomy and Accountability 6

3. Impact of Charter Schools on Student Achievement 7

4. Impact of Charter Schools on the Public Education System 8

D. Research Methodology 8

II. State Approaches to the Charter Concept 9

A. The Growth and Spread of Charter Schools 10

B. Charter Closures 11

C. Charter Renewals 12

D. Key Dimensions of State Charter Legislation and Their Variations Across States 13

1. State Approaches to Who Can Grant Charters 14

2. State Approaches to Types of Charter Schools Allowed 15

3. State Approaches to Number of Charter Schools Allowed 16

4. State Approaches to Legal Status of Charter Schools 17

5. State Approaches to Waivers of State Law for Charter Schools 18

6. State Approaches to Employment Status of Staff for Charter Schools 18

7. State Approaches to Labor Relations Involving Charter Schools 19

8. State Approaches to the Funding and Financing of Charter Schools 20

9. State Approaches to Charter School Accountability: Duration of Charter Term 21

10. State Approaches to Charter School Accountability: Student Assessment 21

11. State Approaches to Charter School Accountability: Grounds for Revoking a Charter 23

12. State Approaches to Charter School Accountability: Charter Renewal Process 23

E. States with New Legislation 25

F. States with Major Legislative Changes 29

G. Summary 32

III. Characteristics of Charter Schools 35
A. A Methodological Note 36
B. Enrollment by State 36
C. School Size 37
D. Grade Levels 38
E. Newly Created versus Pre-existing Charter Schools 41
F. Summary 44
IV. Students of Charter Schools 47
A. Are Charter Schools Serving Racial/Ethnic Minorities? 48
1. Overall Pattern 48
2. State-by-State Comparison 49
3. Racial/Ethnic Concentration 51
4. Are Charter Schools Racially Different from Their Districts? 53
B. Are Charter Schools Serving Economically Disadvantaged Students? 58
C. Charter Schools That Serve a Particular Population of Students 62
1. Schools That Serve One Racial/Ethnic Group 63
2. Schools That Serve Predominantly LEP Students 66
3. Schools Designed to Serve Students with Disabilities 68
4. Schools That Target At-Risk Students and/or Dropouts 70
D. Summary 72
V. Why Charter Schools Are Started and What Attracts Parents to Them 75
A. Reasons for Founding Charter Schools 76
B. Racial Concentration and Reasons for Founding 82
C. The Push and Pull of Charter Schools 82
1. Dissatisfaction with Public Schools 83
2. The Attraction to Charter Schools from the Schools' Perspective 84
D. Summary 89
VI. Challenges in the Implementation of Charter Schools 91
A. Identifying Implementation Challenges 92
1. Differences by Year of Opening 93
2. Obstacles for Newly Created versus Pre-existing Charter Schools 94
B. Underlying Themes 96
1. Resource Limitations 98
2. Political Resistance 100
3. Internal Conflict 101
4. Union Relationships 102
C. Key Challenges 103
D. Summary 104
Appendix A. Overview of the National Study's Research Design 107
Appendix B. State Legislative Overview 109
Appendix C. Overview of Telephone Survey Response Patterns 116
Appendix D. Supplemental Exhibits for Chapter IV 121
Appendix E. Charter Schools and Title I 127

List of Exhibits

1-1. Factors Affecting the Development, Implementation, and Spread of Charter Schools 2

2-1. States with Charter School Legislation, by Year of First Enactment as of September 1997 10

2-2. Estimated Number of Charter Schools in Operation as of September 1997 by State 11

2-3. State Approaches to Who Can Grant Charters 15

2-4. State Approaches to Types of Charter Schools Allowed 16

2-5. State Approaches to Number of Charter Schools Allowed 17

2-6. State Approaches to the Legal Status of Charter Schools 17

2-7. State Approaches to Waivers of State Law for Charter Schools 18

2-8. State Approaches to Employment Status of Staff for Charter Schools 19

2-9. State Approaches to Labor Relations Involving Charter Schools 19

2-10. State Approaches to the Funding and Financing of Charter Schools 20

2-11. State Approaches to Charter School Accountability: Duration of Charter Term 21

2-12. State Approaches to Charter School Accountability: Student Assessment 22

2-13. State Approaches to Charter School Accountability: Grounds for Revoking a Charter 22

2-14. State Approaches to Charter School Accountability: Charter Renewal Process 23

2-15. Key Features of Charter Legislation in States That Enacted Charter Legislation in 1997 24

3-1. Estimated Enrollment by State: Charter Schools (1996–97) and All Public Schools (Fall 1996) in the Seventeen Charter States 37

3-2. Estimated Enrollment in Charter Schools (1996–97) and All Public Schools in the Seventeen Charter States (1994–95) 38

3-3a. Estimated Distribution of Enrollment in Charter Schools by Year of School Opening (1996–97) 39

3-3b. Estimated Median Enrollment of Charter Schools by Year of School Opening 39

3-4. Estimated Grade-Level Distribution and Median Enrollment for Charter Schools (1996–97) and All Public Schools in the Sixteen Charter States (1994–95) 40

3-5. Estimated Percentage of Newly Created and Pre-existing Charter Schools (1996–97) 41

3-6. Estimated Percentage of Newly Created and Pre-existing Charter Schools by Year of School Opening (1996–97) 42

3-7. State-by-State Comparison of the Estimated Percentage of Newly Created and Pre-existing Charter Schools (1996–97) 42

3-8. Estimated Percentage of Newly Created Charter Schools by Year of School Opening and State (1996–97) 44

3-9. Relationship between School Size and Charter Status (1996–97) 45

4-1. Estimated Percentages of Enrollment in Charter Schools (1996–97) in All Public Schools in the Sixteen Charter States (1994–95) by Racial/Ethnic Category 48
Exhibit 4-2 Graphic: Estimated Average School Percentage of White Student Enrollment in Charter Schools (1996–97) and All Public Schools in Selected Charter States (1994–95) 49
4-2. Estimated Average of School Racial Percentages across Charter Schools (1996–97) and All Public Schools in the Sixteen Charter States (1994–95) 50
4-3. Distribution of the Estimated School Percentage of White Students for Charter Schools (1996–97) and All Public Schools in the Sixteen Charter States (1994–95) 51
4-4. Estimated Racial Concentration of Charter Schools (1996–97) Compared to All Public Schools in the Sixteen Charter States (1994–95) 52
4-5. Estimated Concentration of Students by Race for Charter Schools (1996–97) and All Public Schools in Selected Charter States (1994–95) 53
4-6. Charter Schools versus District Schools' Percentage of White Students 54
4-7. Racial Distinctiveness of Charter Schools Compared to Surrounding Districts (1996–97) 55
Exhibit 4-7 Graphic 55
4-8. Racial Distinctiveness versus Racial Concentration of Charter Schools 57
4-8a. Percentage of all charter schools in sample 57
4-8b. Percentage of proportion of White students 57
4-8c. Percentage of distinctiveness from district 57
4-9. Estimated Percentage of Students Eligible for Free and Reduced-Price Lunch in Charter Schools (1996–97) and All Public Schools in the Sixteen Charter States (1994–95) 58
4-10. Estimated Concentration of Students Eligible for Free and Reduced-Price Lunch in Charter Schools (1996–97) 60
Exhibit 4-10 Graphic 60
4-11. Estimated Percentage of Charter Schools (1996–97) Compared to the Average of the Surrounding Districts' Percentage of Students Eligible for Free and Reduced-Price Lunch 60
4-12. Estimated Concentration of Students Receiving Free and Reduced-Price Lunch in Charter Schools (1996–97) Compared to the Surrounding Districts 61
4-12a Percentage of all charter schools in sample 61
4-12b Percentage of proportion of low-income students 61
4-12c Percentage of distinctiveness from district 61
4-13. Estimated Percentage of LEP Students in Charter Schools (1996–97) and in All Public Schools in the Sixteen Charter States (1994–95) 67
4-14. Estimated Percentage of Students with Disabilities in Charter Schools (1996–97) and in All Public Schools in the Sixteen Charter States (1995-96) 69
5-1. Reasons for Founding Charter Schools 76
Exhibit 5-1 Graphic: Most Important Reason for Founding Charter School 76
5-2. Reasons for Founding Charter Schools by School Type 78
5-3. Type of Charter School by Reasons for Founding 80
5-4. Estimated Racial Concentration for Different Founding Reasons 81
5-4a. Distribution of Racial Concentration for Each Founding Reason 81
5-4b. Distribution of Founding Reasons for Each Racial Concentration 81
5-5. Why Parents and Students Might Be Attracted to Charter Schools 84
5-6. Underlying Factors Attracting Parents and Students to Charter Schools 85

6-1. Estimated Percentage of Schools Reporting Difficulties in Developing and Implementing Their Charters 92
6-2. Estimated Percentage of Schools Reporting Difficulties by Year of Charter School Opening 93
6-3. Estimated Percentage of Schools Reporting Difficulties for Newly Created versus Pre-existing Charter Schools 94
6-4. Estimated Mean Difficulty Scores for Newly Created versus Pre-existing Charter Schools 96
6-5. Possible Dimensions of Difficulties 97
6-6. Estimated Percentage of Charter Schools Citing at Least One Key Barrier within a Factor for Newly Created and Pre-existing Schools 104
6-7. Estimated Percentage of Charter Schools Citing at Least One Key Barrier within a Factor by Year of School Opening 104
B-1. Comparison of Major Policy Elements of Charter School Reform Legislation 111
C-1. Estimated School Enrollment of Charter Schools (1996–97) and All Public Schools in the Sixteen Charter States (1994–95) by State 117
C-2. Estimated Percentage of Charter Schools by Grade Level and Year of School Opening (1996-1997) 118
C-3. Estimated School Size and Grade Levels for Charter Schools (1996–97) and All Public Schools in the Sixteen Charter States (1994–95) 119
C-3a. Percentage of charter schools by grade levels 119
C-3b. Percentage of all public schools in the sixteen charter states 119
C-4. Estimated Percentage of Newly Created or Pre-existing Charter Schools by Grade Level (1996–97) 120
C-4a. Percentage of charter schools by grade level and newly created or pre-existing 120
C-4b. Percentage of charter schools by newly created or pre-existing and grade level 120
D-1. Estimated Size versus Racial Concentration for All Charter Schools in the Sixteen Charter States (1996–97) 122
D-1a. Percentage of all charter schools in sample 122
D-1b. Percentage of school size 122
D-1c. Percentage of proportion of White students 122
D-2 Size versus Racial Concentration for All Public Schools in the Sixteen Charter States (1994–95) 123
D-2a. Percentage of all public schools 123
D-2b. Percentage of school size 123
D-2c. Percentage of proportion of White students 123
D-3. Estimate Enrollment by Race for Charter Schools (1996–97) and All Public Schools in Sixteen Charter States (1994–95) 124
D-4. Comparing Alternative Measures of Racial Enrollment Patterns for Charter Schools (1996–97) and All Public Schools in the Sixteen Charter States (1994–95) 125
D-5. Estimated Concentration of Students by Race for Charter Schools (1996–97) and All Public Schools in the Sixteen Charter States (1994–95) 126
E-1. State-by-State Comparison of Charter Schools: Reported Eligibility and Receipt of Title 1 Funding (1996–97) 128

Preface

This document is the Second-Year Report of the National Study of Charter Schools (the Study), sponsored by the U.S. Department of Education as authorized by the 1994 amendments to the Elementary and Secondary Education Act. The Report updates information on charter schools reported in the Study's First-Year Report, published in May 1997.[1] The Study is a four-year research effort (September 1995–September 1999) to document and analyze the charter school movement. By means of both annual reports and a series of occasional papers, the Study will provide information about how many and what kind of charter schools become operational, about those factors that facilitate or hinder the charter schools' development and implementation, and about how schools are implementing their charters. The Study will also collect data and conduct analyses of the impact of charter schools on student achievement and on local and state public education systems.

The Second-Year Report (the Report) presents information about charter schools for the school year 1996–97. It is based on a telephone survey designed to collect data from the 428 charter schools in operation across the nation as of January 1, 1997. The Study completed 89 percent of the phone interviews by June 30, 1997, and summaries of a selected number of those responses are reported here.

The Report is also based on information collected during site visits to 91 charter schools. The schools were selected within states and within categories of grade level, school size, and their charter school status as either newly created schools or schools that converted from a pre-existing public or private school. The field visits were conducted to: (1) develop a deeper understanding of why charter schools are started, how they are being implemented, and what barriers they have encountered to their development and implementation; (2) collect preliminary information about the schools' educational programs, organizational structures, governance and finance arrangements, and student assessment and accountability procedures; and (3) check on the accuracy of the telephone surveys. The Report draws on examples from the field to illustrate the variety of charter schools and how they are being implemented.

The National Study of Charter Schools is funded by the U.S. Department of Education and conducted under contract with RPP International with offices in California, in partnership with the Institute for Responsive Education (IRE), a nonprofit research organization in Boston.

This Second-Year Report represents a collaborative effort of various researchers. Paul Berman, Beryl Nelson, John Ericson, Rebecca Perry, and Debra Silverman of RPP International drafted the actual report. Wayne Jennings of Designs for Learning and Eric Premack of the Institute for Educational Reform prepared the state legislative table, which was reviewed by David Kirp of the University of California, Berkeley. Laura Bloomberg provided support for analysis of the qualitative data. Tony Wagner and Abby Weiss of IRE provided feedback on drafts of the Report.

1 U.S. Department of Education, Office of Educational Research and Improvement, *A Study of Charter Schools: First-Year Report, May 1997.*

Acknowledgments

The authors are grateful to the many people who contributed directly and indirectly to this Report. We would first like to thank the charter schools who gave generously of their time to respond to our telephone survey. The information that they provided formed the basis of this Report. We would like to extend a special thanks to the staff, students, and parents of the charter schools who allowed us to visit their schools, answered our questions, and helped us learn from their experiences. They made (and continue to make) significant contributions to our work.

Many others read and provided invaluable feedback on successive drafts of the Report. We appreciate the thoughtful and insightful comments of the Study's Advisory Board. The members of the Advisory Board are: Jose Afonso, Massachusetts Department of Education; William Lowe Boyd, Department of Education Policy Studies at The Pennsylvania State University; Rexford Brown, P.S. 1 Charter School; Joan Buckley, American Federation of Teachers; Faith Crampton, National Education Association; Gary Hart, Institute for Education Reform at California State University, Sacramento; Ted Kolderie, Center for Policy Studies; and Joe Nathan, Center for School Change, Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota.

The U.S. Department of Education selected two peer reviewers—Robert Linn and Patricia Seppanen—who provided perceptive and helpful comments on key points of the Report.

A group of readers from the U.S. Department of Education reviewed drafts of the Report and provided invaluable suggestions for improvement. This group included: David Cleary, Thomas Corwin, John Fiegel, Luna Levinson, Alex Medler, Martin Orland, Ivor Pritchard, Marian Robinson, and Lisa Towne. Susan Wiley from the Education Statistical Services Institute also reviewed drafts of the Report.

The authors also would like to express our sincere appreciation to Judith Anderson, Joseph Conaty, and Patricia Lines of the Office of Educational Research and Improvement for their continuing support for the research as well as for the considerable contributions they have made toward shaping both the Study and this Report.

While appreciating the contributions of all of the reviewers, the authors accept responsibility for the content of the Report.

I. Charter Schools in Perspective

Charter schools—an educational innovation that seemed radical only a few years ago—are now an accepted part of the public education system in many parts of the country. From a slow start in a few states, as of September 1997, the charter movement has created approximately 700 operating schools in 23 states and the District of Columbia—and their numbers are likely to grow rapidly.

While charter schools are public schools, what sets them apart is their charter—a contract with a state or local educational agency. Each school's charter sets out what it plans to do to achieve educational goals; in return it is allotted public funds for a specified time period. The contract frees charter developers from a number of regulations that otherwise apply to public schools. In theory, the charter itself states the terms under which the school can be held accountable for improving student performance and achieving goals set out in the charter.

The freedoms accorded to charter schools have raised an array of hopes and fears about the consequences of introducing charter schools into the public system. Some people hope that charter schools developed by local educators, parents, community members, school boards and other sponsors might provide both new models of schooling and competitive pressures on public schools that will improve the current system of public education. But others fear that charter schools might, at best, be little more than escape valves that relieve pressure for genuine reform of the whole system and, at worst, add to centrifugal forces that threaten to pull public education apart.

Time will tell which hopes or fears are realized. Presently, the rapid expansion of charters testifies to widespread excitement about the charter idea, but it tells us little about the reality of charter schools. The purpose of this Second-Year Report of the National Study of Charter Schools is to explain how charter schools are being implemented at this still-early stage of their evolution, and to describe patterns derived from our quantitative and qualitative research. Subsequent reports of this National Study will address broad policy issues concerning charter schools.

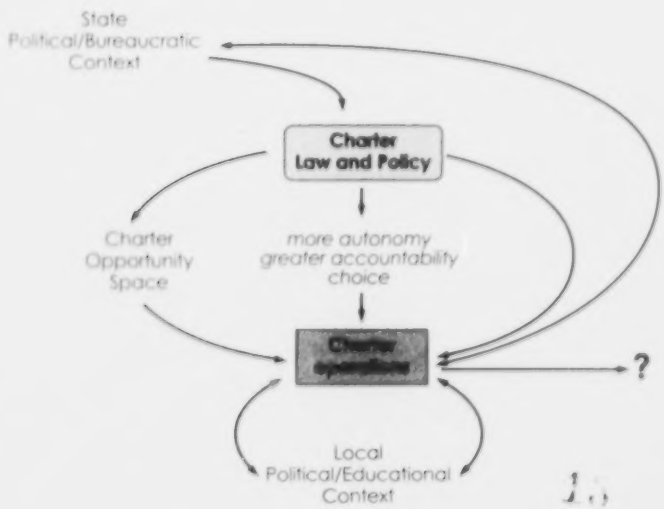
A. A FRAMEWORK FOR STUDYING CHARTER SCHOOLS

The Study is based on a conceptual framework linking relationships among factors that affect the development, implementation and spread of charter schools. Exhibit 1-1 suggests that charter schools are greatly affected by the context of state and local factors. The flow in this diagram starts at the state level, winds its way down to the local level of individual charter developers trying to make their charter schools effective, cycles at the school level where intricate interactions occur between charter schools, their communities and surrounding districts, and feeds back up to the state level where decisions about the system of public education are made. Because the charter concept is about both individual schools and our system of public education, the Study's research takes this dual perspective in defining its key questions.

As the diagram suggests, the starting point for charter schools is state charter school legislation. Since the impetus for charter schools arises out of a state's political and bureaucratic context, each state approaches charter school legislation in a more or less unique way, so charter laws vary greatly from state to state. A state's charter legislation—and the formal and informal regulations that implement the legislation—profoundly affect the charter development process, the charter granting process, and ultimately the ways in which charter schools operate and relate to their sponsors. In states where only the local school board can grant a charter and only the conversion of pre-existing public schools is allowed, the possibilities for charter developers are much more constrained than in states where there are multiple charter-granting agencies and where charter developers can create new schools as well as convert pre-existing public and private schools. Similarly, each of the following factors affects the kinds of charter schools that are created within a state: the number of charter schools allowed, the degree of freedom from regulation authorized in the legislation, and the accountability requirements. Moreover, the *de jure* situation prescribed by the law may differ from the *de facto* reality of how the laws are administered and implemented.

We think of these factors as creating an *opportunity space* for charter developers and operators. State-specific contextual factors influence the opportunity space, sometimes in subtle ways. The political environment, the history of educational reform in the state, the role of the state education agency, the relationships between the state and the districts, and many other factors have an impact on charter school development and operation. These factors combine to create a unique opportunity space whose "shape" differs from state to state.

EXHIBIT 1-1
FACTORS AFFECTING THE DEVELOPMENT, IMPLEMENTATION, AND SPREAD OF CHARTER SCHOOLS



The Study's Research Foci

1. How do state charter laws affect charter development?
2. What are the characteristics of charter schools compared to other public schools?
3. What kinds off students attend cluster schools?
4. How do charter schools operate? Are their programs distinct from public schools?
5. What are the impacts of charter schools on students and on the public education system?

B. THE STUDY'S RESEARCH QUESTIONS

The complexity of the charter movement calls for a multifaceted research program. This Report focuses on evidence gathered over the last few years that allows us to address some critical research questions in a timely manner, even as the charter phenomenon is growing and changing; other questions must be deferred until more evidence is gathered. This section discusses the research questions addressed in this volume. As such, it serves as a road map for the Report's contents. The section also summarizes broad questions guiding the Study's research. Further findings will be presented in subsequent volumes.

State Charter Law Research Questions. The Study focuses on a series of research and policy questions concerning state law and charter opportunity space. In particular, the Study will address the following:

- How can states' charter legislation be characterized and compared?
- How does charter legislation differ across states?
- What are major patterns of charter law and policy across states?
- What is the impact of state legal, regulatory, and contextual factors on the creation and operation of charter schools?
- What policy conclusions can be drawn from comparing different types of state charter law and policy and their impacts?

Chapter II addresses the first two of these questions. In the Study's First-Year Report, we provided an overview of state charter laws. This Report revisits the *de jure* aspects of the charter laws across all states, providing an update on significant changes in existing laws and highlights of laws in new charter states. In addition, this chapter characterizes key dimensions of charter laws as a starting point for comparing charter policies across states. Appendix B provides more detailed information on these subjects. Answers to the last three questions above will require intensive fieldwork at state and local levels. This research is now under way; subsequent Study reports will present evidence and conclusions in these areas.

Research Questions about Charter School Characteristics. Though charter laws are the impetus for the development of charter schools, decisions of local charter developers define the kinds of charter schools that actually go into operation, as the bottom portion of Exhibit 1-1 illustrates. Last year's Report identified three primary reasons why charter schools are launched—namely, to pursue an educational vision, to gain autonomy from district and/or state regulations, or to serve a special population. The founding reasons, as well as other local political and educational factors, result in charter schools that vary greatly from one another in such basic characteristics as their size and age of children they serve.

This finding deserves special emphasis. The freedom that educators, parents, and community members have to develop charter schools almost guarantees that charter schools will differ from one another in ways that are more pronounced than differences among

other public schools. Rather than speaking of charter schools as if they are the same, the Study seeks to identify broad patterns of variability across charter schools and compare them to other public schools. Specifically, the Study asks:

- What are the characteristics of charter schools, and how do they vary across charter schools and across states?
- In what ways are charter schools similar to or different from other public schools?
- Are these differences systematically related to the reasons charter schools are founded and/or to other state and local factors?

Chapter III and Appendix C provide data about these topics. They update our First-Year Report figures on the number of charter schools in each state and describe the enrollment and grade-level configurations of charter schools compared to public schools.

Research Questions about Students Attending Charter Schools. Another area covered in this year's report concerns a highly controversial subject. Charter schools are schools of choice. For this reason as well as others, charter schools may have student enrollment patterns that are quite different—with respect to race/ethnicity, disability and other factors—from other public schools. One fear is that charter schools may lead to implicit but nonetheless systematic discriminatory practices. Despite the difficulties of analysis, this issue merits sustained investigation on its own terms and as part of the Study's broad research inquiry into the following questions:

- What kinds of students attend charter schools, and does this makeup of the charter student population vary systematically by state or by other characteristics of charter schools?
- In terms of demographics, how do charter school students compare to students enrolled in other public schools?
- Do charter schools tend to recruit and select certain types of students?

Chapter IV and Appendix D present preliminary research data and offer analyses of these complicated issues. The chapter compares racial/ethnic and poverty data between charter and other public schools. It also measures the concentration of different racial/ethnic groups at the schools in order to identify patterns in charter schools that may be different from public schools. Finally, the chapter explores—with qualitative as well as quantitative data—how distinctive charter schools may be from public schools in terms of their students' race or economic status.

Research Questions about Why Charter Schools Are Started and What Attracts Parents and Students to Them. The creation of charter schools requires deliberate, and sometimes unavoidably contentious, actions on the part of many local actors. Charter developers have compelling reasons for going through this process, including strongly held beliefs about how education should work, how schools should operate, and who they should serve. The original motivations and subsequent implementation decisions set the context out of which the features of charter schools develop. It is reasonable to assume that these beginnings may distinguish charter schools from other public schools

and be a source of the attraction that parents and students may have toward charter schools. Using quantitative and qualitative methods, the Study asks:

- Why are charter schools founded?
- Are these founding reasons systematically related to other aspects of charter schools operations such as to their status as newly created or pre-existing schools or to the racial characteristics of students they serve?
- What attracts parents and students to charter schools?
- Are there push factors driving parents away from public schools and toward charters? And are there pull factors drawing parents and students toward choosing charters?
- What features of charter schools are the most powerful in attracting parents and students? Are these features systematically related to different types of charter schools?

Chapter V provides preliminary information about these issues. The chapter uses quantitative analysis from the Study's telephone surveys and provides a qualitative context as well as vignettes about charter schools from the fieldwork sample. Future research will address an array of issues concerning different types of charter operators, including:

- What are "for-profit" charter schools? How are they different from other charter schools or other public schools? Is there evidence that they have systematically different results compared to other charter or other public schools? What lessons can be learned for public education?
- How do charter schools with several branches in distinct locations operate? Is there evidence that they have systematically different results compared to other charter or other public schools? What lessons can be learned for public education?

Research Questions about Challenges to Charter School Implementation. Last year's Report drew a parallel between the implementation of charter schools and the start-up of new businesses. As more charter schools are initiated and as the federal government plays a larger role in funding charter school start-ups, the barriers that charters have to face to survive and implement a coherent educational program are issues of great concern. This Report updates the earlier work and asks:

- What difficulties do charter schools experience as they implement their programs?
- Are these difficulties systematically related to other aspects of charter schools such as their status as newly created or pre-existing schools?
- How are these implementation problems changing over time? Are some difficulties becoming more or less prevalent for schools as they continue? Are some difficulties becoming more or less severe for the newer cohort of charter schools as the movement is growing?

Chapter VI, the last chapter of this Report, addresses these topics. In addition, this Report adds more qualitative material that illustrates both the nature of the difficulties and the local or state context within which they arise.

C. RESEARCH QUESTIONS NOT ADDRESSED AT THIS TIME OR NOT ADDRESSED BY THE STUDY

The Study's research program is designed to accumulate data over time and present findings when the evidence merits preliminary conclusions. Subsequent reports will present findings in the following areas:

1. Charter School Operations. Supporters of charter schools believe that charter schools may create "innovative" educational programs, governance models, financing arrangements, personnel practices, approaches to parent and community participation, or school operations. The Study's working definition of "innovation" is a charter school practice (in any of the areas listed above) that is distinctively different from the practices of other public schools in the charter school's surrounding district(s) or region.

- What educational programs, governance models, financing arrangements, personnel practices, approaches to parent and community participation, or other school operations do charter schools create, and how different are these from those of other public schools?
- Is there systematic evidence that these school operations are related to such areas as student learning; the schools' cost-effectiveness; or the attractiveness of charter schools to parents, students, and professional staff?
- Under what conditions are these approaches transferable to other public schools? What factors have led to their development and implementation, and are these factors possible to attain in other public schools?
- Is there systematic evidence that other public schools are adopting charter school approaches? (See point 4 below.)

Though the Study will address these questions, it faces many limitations on how definitively they can be answered. Describing and assessing educational programs, governance models, financing arrangements, personnel practices, approaches to parent and community participation, or school operations require research at school sites. The Study has chosen a sample of 91 sites for its investigations. These sites were selected in an unbiased manner, as the Appendix on the Study's research design and methodology describes. This sample is quite large for fieldwork, but it is not—nor could it be—representative of all charter schools. Consequently, the Study's findings concerning the approaches that charter schools take to school operations will provide systematic data on these issues, without attempting to evaluate all charter schools in the country.

2. Autonomy and Accountability. The ideas of autonomy from state or local regulations and accountability for student results are central to the definition of charter schools. However, in terms of the specifics of autonomy and accountability, state legislation as well as local practice vary greatly from state to state and often from charter school to charter school within a state. In this area, the Study (in conjunction with another research study funded by OERI) will address such questions as:

- How do the autonomy and accountability requirements in charter school legislation vary from state to state?

- How are autonomy and accountability played out in local practice, and how do they differ from practices in the surrounding districts or regions?
- Is there evidence of systematic relationships between autonomy or accountability and how charter schools operate, how charter schools measure student achievement, and possible impacts on student achievement? (See point 3 below.)
- What lessons for public education can be garnered from the charter school experiences with autonomy and accountability?

The Study is conducting case studies in five states that have contrasting approaches to autonomy and accountability. In addition to analyzing the charter school laws and the practices of charter-granting agencies, research is under way at 12 districts in these states to provide in-depth information about these questions.

3. Impact of Charter Schools on Student Achievement. A central question for the Study concerns student achievement. Given the Study's limited resources and the inherent difficulties of assessing student achievement in the evolving and fluid charter context, the research will focus on the following questions:

- Under what conditions do charter schools improve (or not improve) student achievement and other aspects of student learning?
- In what ways can charter schools be compared to other public schools in terms of student achievement, and what do these comparisons show?

Research on student achievement faces several major challenges, particularly in the charter context. The foremost problem holds for American education generally: public schools across the country neither use the same tests for measuring student achievement nor administer their tests to the same grades on the same testing schedule. Thus, test results generally can not be compared—in a definitive fashion—across all public schools or all charter schools. Consequently, it is not strictly possible to determine whether charter schools as a group are producing higher student achievement than public schools. Systematic research can nonetheless still learn much about the impact of charter schools on student achievement. The Study uses two approaches to gathering data so that reasonable inferences can be made.

First, the Study has offered charter schools in the fieldwork sample the opportunity at no cost to have their students take a multiple choice test, which is briefly described in Appendix A. For those charter schools that do the testing and continue it over several years, the Study will have test results for individual students over time. These data can yield evidence about the growth in student achievement in the sample of charter schools. Furthermore, the field research at these sites will provide in-depth information about the conditions under which these charter schools experience positive or negative change in their students' achievement.

Second, the Study is collecting student achievement data from each charter school in the field sample as well as from other public schools in districts associated with these charter

schools. From those states that have a statewide testing program, we are also collecting student achievement data for all charter schools and all other public schools. Though this approach has limitations, these data can provide the basis for drawing plausible comparisons between many charter schools and other public schools.[1] Subsequent reports will present the results of analyzing student achievement data in this fashion.

4. Impact of Charter Schools on the Public Education System. As the introduction suggested, some people hold that the charter movement has the potential for changing our system of public education. Though such change will take years to be realized, the Study can examine possible impacts that charter schools may be having on districts or state systems of public education. In particular, we will ask:

- What evidence can be gathered to document effects that charter schools have on local or state systems of public education?
- Are charter schools developing models or reform strategies that other public schools are adopting?
- Is there evidence that the choice that parents and students make to attend charter schools has influenced other public schools or districts to change their practices?
- What lessons for public education can be learned from the successes and failures of charter schools?

Fieldwork is needed to address these issues. As previously mentioned, the Study is conducting case studies in five states and 12 districts to gather in-depth information on the possible impacts (positive or negative) of charter schools. The methodology involves analysis of the media, the collection of documents or other evidence about changes in policies or practices, and interviews that cover a wide variety of perspectives at the school, district, regional, and state levels.

D. RESEARCH METHODOLOGY

The Study's research methodology consists of annual phone interview surveys of all charter schools; repeated field visits to cohorts of samples of charter schools; the administration of student achievement tests over time at a sample of charter schools; the collection of existing student assessments for a sample of charter schools and for other public schools at district and state levels; and analyses across states of charter laws, state agency rulings and procedures, court rulings, and education policy. Appendix A summarizes the Study's research design. The findings presented in this Report rely on our second wave of telephone surveys to all cooperating charter schools, visits to 91 field sites across the country, and extensive analysis of state charter laws.

1 Ideally, one would like to conduct an "experimental" design by assigning students randomly to charter and non-charter schools. This approach is not currently possible. Another approach is to pair each charter school with a matched non-charter public school and administer the same student achievement tests to the matched pair. The Study attempted such an approach, but ran into two problems: (1) some charter schools are very difficult to match with other public schools; and (2) the Study has been unable to persuade matching public schools to participate in the Study. Therefore, the Study will draw comparisons between charter and other public schools only on the basis of existing data as described above.

II. State Approaches to the Charter Concept

The charter concept envisions not only improved individual schools, but also the possibility of an alternative system of public education. At the individual charter school level, schools are given autonomy from regulations in exchange for accountability for results. But as our First-Year Report (1997) showed, state chartering statutes differ dramatically from one another as to the extent and nature of the autonomy they allow. State statutes also vary greatly with respect to the number of charter schools allowed, the conditions of accountability and renewal, and the types of charter schools permitted. Thus, different charter approaches are being tried simultaneously across the country that may have profound implications for how *systemic* change may—or may not—result from chartering. This chapter updates our analysis of state legislation regarding both the autonomy that individual charter schools have in law and the extent to which state statutes enable significant alternatives to the public education system.[1]

Chapter Highlights

- **The number of charter schools is growing.** The number of charter schools in operation continued to grow rapidly in the 1997–98 school year, with 279 additional charter schools becoming operational. Taking into account 19 charter school closures, 693 charter schools were in operation in the 1997–98 school year in 23 states and the District of Columbia. If the various branches of charter schools in Arizona are counted as separate charter schools, the number of charter schools in operation was approximately 781. During the 1997 legislative session, four new states passed charter legislation, and as of September 30, 1997, 29 states and the District of Columbia had charter laws.
- **Fewer than one in twenty charter schools have closed.** By the beginning of the 1997–98 school year, 19 charter schools of the 433 operational until that time had ceased operation. They closed voluntarily, had their charters revoked, or merged their operation with other charter schools.
- **Potential legislative trends.** Several states amended their charter legislation during the 1997 legislative session, and two trends may be emerging. Some states with older charter legislation are increasing their limits on charter schools, and some are providing increased flexibility in the charter-granting process. Legislation in the four new charter states reflect great differences in state approaches, with two states allowing greater opportunity for charter developers and the other two having more restrictions.

A. THE GROWTH AND SPREAD OF CHARTER SCHOOLS

The charter concept continues to spread across the country, with four new states (Mississippi, Nevada, Ohio, and Pennsylvania) enacting legislation during 1997[2] and several states continuing to consider charter legislation.[3] By September 30, 1997, 29 states and the District of Columbia had enacted charter laws.

No consensus exists on how to define charter schools; the Study defines charter schools as schools established within the provisions of state charter school laws. The Study examines schools created under state laws intended to allow the creation of schools by means that depart from the previously established process of starting a school and/or allow schools to operate in a fashion that departs from established practices, often in combination with a performance-based contract.[4]

Exhibit 2-1 shows states with charter legislation and the year the legislation was enacted in each. The largest number of states passed charter legislation in 1995 and 1996—a total of 14 states and the District of Columbia passed legislation in those two years.

Even more dramatic than the growth in the number of states with charter school legislation has been the increase in the number of charter schools across the country. Exhibit 2-2 displays the number of charter schools in operation as of September 1997 and shows the growth in their numbers over time.[5] In the 1993–94 school year, 34 charter schools opened. The number of charter schools doubled in each of the next two years, while the biggest increase occurred in 1997, with 279 charter schools opening. As of September 1997, 693 charter schools were operating in 23 states and the District of Columbia.[6] Arizona, California, and Michigan have the largest number of operational charter schools, accounting for 54 percent of the charter schools in operation as of September 1997. Charter schools are few relative to the approximately 85,000 other public schools in the country, but the growth in charter schools has been steady since the first school opened in Minnesota in 1992.

EXHIBIT 2-1
STATES WITH CHARTER LEGISLATION, BY YEAR OF FIRST ENACTMENT AS OF SEPTEMBER 1997

1991	1992	1993	1994	1995	1996	1997
Minnesota	California	Colorado	Arizona	Alaska	Connecticut	Mississippi
		Georgia	Hawaii	Arkansas	District of Columbia	Nevada
		Massachusetts	Kansas	Delaware	Florida	Ohio
		Michigan		New Hampshire	Illinois	Pennsylvania
		New Mexico		Louisiana	New Jersey	
		Wisconsin		Rhode Island	North Carolina	
				Wyoming	South Carolina	
					Texas	

B. CHARTER CLOSURES

Of the 712 charter schools that have opened since 1992, 19 had ceased operation as charters by September 1997. The 19 schools were located in six states: Arizona (with ten), California (five), Colorado (one), Massachusetts (one), Michigan (one), and Minnesota (one).[7] Twelve of the schools actually closed their doors, while seven continued their operation in some form. In some cases, charter schools closed because their charters were revoked for one or more violations of their charter contracts. In other cases, schools closed

EXHIBIT 2-2
ESTIMATED NUMBER OF CHARTER SCHOOLS IN OPERATION AS OF SEPT. 1997 BY STATE[1]

	Number charter schools starting in the year					Cum. schools closed	New schools starting	Total schools in operation
State	1992–93	1993–94	1994–95	1995–96	1996–97	as of Sept. 97[2]	as of Sept. 97	Sept. 97
MN	2	5	7	3	3	[1]	7	26
CA		28	37	30	21	[5]	19	130
CO		1	13	10	8	[1]	19	50
MI			2	41	33	[1]	29	104
NM			4		1			5
WI			2	3	6		6	17
AZ				47	58	[10]	45	140
GA				3	9		9	21
HI				2				2
MA				15	7	[1]	3	24
AK					2		13	15
DE					2		1	3
DC					2		1	3
FL					5		28	33
IL					1		7	8
LA					3		3	6
TX					17		21	38
CT							12	12
KS							1	1
NJ							13	13
NC							34	34
PA							6	6
RI							1	1
SC							1	1
Yearly Total	2	34	65	154	178	[19]	279	—
Cum. Total	2	36	101	255	433	414	—	693

1 The number of charter schools is a moving target. New schools open and existing schools move, change their names, and close. Throughout the Study we will continue the process of tracking the number of charter schools and Exhibit 2-2 represents our best estimate of the number of charter schools as of September 1997. There are several discrepancies between this chart and a similar exhibit in the First-Year Report (Exhibit 2). First, the number of charter schools that opened in California in 1993–94 was actually 28, not 26 as reported last year and in 1994–95, the number was 37, not 36 California charter schools opened. Second, also in California, one of the schools that opened in the 1993–94 school year closed before the Study began. That school's closing was not reported in last year's report. Third, in Minnesota, we reported last year that one school opened in the 1992–93 school year but the actual number that opened in that year was two—one of them closed before we began the Study and was not reported as closed in last year's report. Finally, in Minnesota, we reported last year that four schools opened in the 1995–96 school year, but one school delayed its opening until the 1996–97 school year, reducing the total in the 1995–96 school year to three schools and increasing the total in the 1996–97 school year to three.

2 The column "Total Schools Closed as of September 1997" reflects the cumulative number of charter schools closed since the 1992–93 school year.

voluntarily because of financial problems or because of the difficulties they encountered in translating a vision into a reality. Finally, a group of charter schools relinquished their charters or merged with other schools. More specifically:

- Four schools, three in California and one in Arizona, had their charters revoked, two because of financial mismanagement. The remaining two schools—both in California—had their charters revoked because their district found them to be in violation of provisions of their charters.[8]
- Two Arizona schools rescinded their charters—one school because it was denied permission to operate on the reservation where it was located.
- Five schools closed voluntarily—three in Arizona, one in Michigan, and one in Minnesota.
- Two Arizona schools that operated as separate charters merged with other charter schools. One school had received two separate charters to operate branches of their school; they were ultimately merged under one charter. Another school merged with an existing charter school that had a similar educational program and philosophy.
- Five schools discontinued their charters but remained open as schools. Four of them—one in California, two in Arizona, and one in Colorado—had converted from previously existing schools to charter schools and so continued to operate after relinquishing their charters. The remaining school, located in California, reconstituted in a different district under a new charter.
- One Massachusetts school's charter was suspended by the state after one year of operation. The school is working to meet state requirements for documentation of its program and hopes to reopen in the fall of 1998.

Charter school closures represent a very small proportion of the number of schools granted charters—less than three percent—and there are too few closures to provide evidence of a clear pattern at work. Some charter school proponents point to the closure of charter schools as evidence that the charter concept works—that schools that don't live up to their charters will be closed. Other proponents argue that schools that are unable to attract enough students to be fiscally viable will be forced to close their doors—a demonstration that market forces are at work. Throughout the Study, we will continue to track charter school closures and, as part of our policy research, explore patterns associated with school closures.

C. CHARTER RENEWALS

Charter schools operate under limited-term contracts, the length of which are typically specified in state legislation and range from Pennsylvania, with an annual review, to Arizona and the District of Columbia with 15-year terms (with five-year interim reviews). The periodic, formal review process is a hallmark of the charter school accountability process—one indication that charter schools are living up to their end of the autonomy/accountability bargain is whether or not their charters are renewed at the end

of their term. The length of the renewal is an indication of the belief that the charter-granting agency has in the viability of the charter school.[9]

Twenty-nine of the charter schools responding to the phone survey (in California, Colorado, Michigan, Minnesota, and Wisconsin) reported that their charters had come up for renewal; all reported that their charters had been renewed. Of the 29 schools, 23 were newly created and six were pre-existing schools. Nineteen schools were renewed for three years, three schools for two years, and six schools for one year. Of the 29 schools that have come up for renewal:

- Eleven Minnesota schools reported that their charters had been renewed; of those, eight are newly created schools and three are pre-existing schools. Two had their charters renewed for two years and nine had their charters renewed for three years.
- Eight California schools reported that their charters had been renewed; of those, seven are newly created schools and one is a pre-existing school. Three of the schools had their charters renewed for one year, one for two years, and four for three years.
- Seven Colorado schools reported that their charters had been renewed; all of the schools are newly created. One school reported that its charter had been renewed for one year, while six had their charters renewed for three years.
- Two Michigan schools reported that their charters had been renewed; one school is newly created and one is a pre-existing school. One of the schools had its charter renewed for one year and one for three years.
- One Wisconsin school reported that its charter was renewed for one year; it is a pre-existing school.

There are too few cases across the five states to draw any real conclusions about patterns of charter renewals. As is the case in at least one district, the variability in the length of the charter renewals of schools within that district seems to suggest that some charter-granting agencies are giving serious consideration to some set of criteria and distinguishing among charter school renewals based on those criteria. As part of our policy work, the Study will examine the process of charter renewal from the perspective of the charter sponsors. We will investigate what criteria sponsors are using to decide on charter renewal.

D. KEY DIMENSIONS OF STATE CHARTER LEGISLATION AND THEIR VARIATIONS ACROSS STATES

Some of the literature on charter schools divides state charter legislation into oversimplified categories such as "strong" and "weak" laws. Although these terms provide some broad distinction among the different state approaches, they do not adequately reflect the complexity and subtlety of the legislative differences across states. At this juncture of the Study, we believe that the laws need to be compared in richer detail to discern patterns across states.

Consequently, we sought to design a classification scheme using a group of key dimensions that could capture both how state charter laws affect individual schools and their possibilities for affecting systemic school reform:

1. Who can grant charters
2. Types of charter schools allowed
3. Number of charter schools allowed
4. Legal status of charter schools
5. Waivers of state law for charter schools
6. Regulations on staff for charter schools
7. Labor relations involving charter schools
8. Funding and financing of charter schools
9. Charter school accountability: duration of charter term
10. Charter school accountability: student assessment
11. Charter school accountability: grounds for revoking a charter
12. Charter school accountability: charter renewal process

This section focuses on describing these critical aspects of state laws which are indicative of each state's approach to charter schools. (Appendix B of this document summarizes each state's charter legislation.)

1. State Approaches to Who Can Grant Charters

States differ in both the number and the types of agencies that are authorized to grant charters (see Exhibit 2-3 for a summary). Some states limit charter-granting authority to one agency, while others allow multiple granting agencies. In 16 states, only one agency can grant charters—in 11 of those states, the local school board is the only agency allowed to grant a charter. In five of the states where the local school board is the only charter-granting agency (California, Colorado, Florida, New Hampshire, and South Carolina), a school can appeal the decision of the district to another agency authorized to grant the charter. The Pennsylvania legislation contains an appeals provision that will take effect in the 1999–2000 school year. Legislation in five states (Arkansas, Georgia, New Jersey, New Mexico, and Rhode Island) designates a state-level agency—either the state board of education or the Chief State School Officer—as the charter-granting body. In five states and the District of Columbia, at least two agencies can approve charters. In Arizona, Ohio, and the District of Columbia, both the local district and at least one state-level agency can grant charters. In the other three states (Michigan, Minnesota, and North Carolina) legislation authorizes both the district and public universities to grant charters; Minnesota amended its charter legislation during the 1997 legislative session to authorize private universities and technical colleges to grant charters, while legislation in Michigan also authorizes counties to grant charters.

Legislation in three states (Delaware, Massachusetts, and Texas) authorizes the State Board of Education to grant charters to newly created charter schools and authorizes districts to grant charters to public school conversions. In both Illinois and Kansas, the district approves the charter after the state reviews the charter proposal for completeness. In three states (Connecticut, Mississippi, and Nevada) both the local district and the state board must approve a charter.

2. State Approaches to Types of Charter Schools Allowed

Charter schools are either newly created schools[10] or pre-existing public or private schools that have converted to charter status. State legislation differs on what types of charter schools are authorized—some legislation only allows the conversion of existing public schools, other states allow both the conversion of existing public schools and the creation

EXHIBIT 2-3
STATE APPROACHES TO WHO CAN GRANT CHARTERS

Approach	States
Only local school boards can grant charters; decision cannot be appealed	Alaska, Hawaii, Louisiana, Pennsylvania[1], Wisconsin, and Wyoming
Only local school boards can grant charters but decision can be appealed	California, Colorado, Florida[2], New Hampshire, and South Carolina
Only state board can grant charters	Arkansas, Georgia, New Mexico, and Rhode Island
Only the State Commissioner of Education can grant charters	New Jersey
Both local school boards and state agencies can grant charters	Arizona, District of Columbia, and Ohio
Local school boards and institutions of higher education can grant charters	Michigan and Minnesota[3]
Local school boards, public universities, and state board can grant charters	North Carolina
Local school board approves charter with a review by the state board	Illinois and Kansas
Both the local school board and the state board must approve the charter	Connecticut[4], Mississippi, and Nevada
Local school board grants public school conversions and state board grants newly-created schools	Delaware, Massachusetts[5], and Texas

1 Pennsylvania's charter legislation contains an appeals provision that goes into effect in the 1999-2000 school year.

2 In Florida, each state university can establish a "developmental research school."

3 Minnesota, as part of the 1997 legislative amendments, allows private colleges and technical colleges to grant charters.

4 In Connecticut, newly created schools are approved by the State Board of Education only.

5 The Massachusetts legislation was amended during the 1997 legislative session to include provisions that allow public school conversions. Until the new law went into effect, only the State Board of Education could grant a charter, so the charters open in the state at the time of this report were all granted by the State Board.

of new schools. Finally, a third group of states additionally allows the conversion of private schools to charter status (see Exhibit 2-4 for a summary).

Four states (Arkansas, Georgia, Mississippi, and New Mexico) do not permit newly created schools; they only allow the conversion of public schools to charter status. Legislation in 20 of the charter states allows both the conversion of existing public schools and the chartering of newly created schools. Only five states (Arizona, Michigan, North Carolina, South Carolina, and Texas) and the District of Columbia allow newly created schools and the conversion of both public and private schools to charter status.[1]

3. State Approaches to Number of Charter Schools Allowed

The number of charter schools allowed to operate also differs by state. Legislation in some states limits the number of charter schools to just a few schools while others allow essentially an unlimited number of charters (see Exhibit 2-5 for a summary). Thirteen of the charter states (Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Michigan, Minnesota, Ohio, Pennsylvania, South Carolina, Wisconsin, and Wyoming) have no statewide limit on the number of charter schools allowed. Although legislation in Florida does not specify a statewide limit, the legislation restricts the number of charters each district can grant based on the size of the district, creating, in effect, a limit of 487 charter schools. Legislation in Nevada and Texas imposes no limit on schools serving at-risk students, but imposes some limits on the number of newly created charter schools not serving at-risk students. Legislation in both the District of Columbia (limit of 10 schools in 1996 and 20 per year thereafter) and New Hampshire (10 per year until 2000 when the cap is lifted) imposes an annual limit on the number of charters that can be granted, while New Mexico and Mississippi restrict the number of charters allowed to five schools and six schools, respectively. The remaining 11 states also limit to some degree the number of charters, the number or percentage of students who can enroll in charter schools statewide, or both.

EXHIBIT 2-4
STATE APPROACHES TO TYPES OF CHARTER SCHOOLS ALLOWED

Approach	States
Only public conversion schools allowed	Arkansas, Georgia, Mississippi, and New Mexico
Newly created and public conversion schools allowed	Alaska, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Kansas, Louisiana, Massachusetts, Minnesota, Nevada, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, Wisconsin[1], and Wyoming
Newly created, public and private conversion schools allowed	Arizona, District of Columbia, Michigan, North Carolina, South Carolina, and Texas

1 Wisconsin's law allows for the conversion of private schools only in Milwaukee.

4. State Approaches to the Legal Status of Charter Schools

Exhibit 2-6 summarizes the different approaches states take with regard to the degree of independence and the legal status of charter schools. In every state, charter schools are defined as public schools. In 17 states and the District of Columbia, the legislation identifies charter schools as independent entities, corporate entities, or nonprofit organizations. Texas legislation designates charter schools as governmental agencies. In nine states (Alaska, Arkansas, Colorado, Georgia, Hawaii, Kansas, New Mexico, Rhode Island, and Wisconsin) charter schools remain legally a part of their local school districts. Legislation in the remaining two states—California and Mississippi—does not directly address the legal status of charter schools although in California, many are formed as independent corporate entities.

EXHIBIT 2-5
STATE APPROACHES TO NUMBER OF CHARTER SCHOOLS ALLOWED

Approach	States
No state limit on the number of charter schools	Arizona, Arkansas, Colorado, Delaware, Florida[1], Georgia, Michigan, Minnesota, Ohio, Pennsylvania, South Carolina, Wisconsin, and Wyoming
Annual limit on the number of charter schools	District of Columbia and New Hampshire
Some limitation on number of schools or the number or percentage of students statewide who can enroll in a charter school	Alaska, California, Connecticut, Hawaii, Illinois, Kansas, Louisiana, Massachusetts, Mississippi, New Jersey, New Mexico, North Carolina, and Rhode Island
No limit on schools serving "at-risk" students, but limit on other schools	Nevada and Texas[2]

1 Although the Florida legislation does not specify a statewide limit, the legislation does restrict the number of charters granted in each district based on district size. The effective cap for the state is 487 schools.

2 In Texas, there are no limits on charters granted by districts to public school conversions.

EXHIBIT 2-6
STATE APPROACHES TO THE LEGAL STATUS OF CHARTER SCHOOLS

Approach	States
Schools act as independent entities (corporate entities, nonprofit organizations, or independent governmental bodies)	Arizona, Connecticut, Delaware, District of Columbia, Florida, Illinois, Louisiana, Massachusetts, Michigan, Minnesota, North Carolina, New Hampshire, New Jersey, Nevada, Ohio, Pennsylvania, South Carolina, Texas, and Wyoming
Schools remain legally a part of their local school districts	Alaska, Arkansas, Colorado, Georgia, Hawaii, Kansas, New Mexico, Rhode Island, and Wisconsin
Legislation does not directly address charter school status	California and Mississippi

5. State Approaches to Waivers of State Law for Charter Schools

Waivers from state laws determine the amount of autonomy afforded a charter school to develop and implement its charter. State charter legislation regarding waivers varies greatly. While some state legislation frees charter schools from practically all state regulations, legislation in other states is more restrictive (see Exhibit 2-7 for a summary). In 17 states and the District of Columbia, the charter legislation provides an automatic waiver from most of the provisions of the state education code for charter schools, with a few standard exceptions. Exceptions to the automatic waiver typically require charter schools to abide by state laws and regulations relating to health and safety, civil rights, disability rights, and nondiscrimination in admissions and employment, and impose requirements that schools be nonsectarian and that they not charge tuition. In ten states (Arkansas, Colorado, Connecticut, Georgia, Kansas, Massachusetts, Michigan, Nevada, New Jersey, and Rhode Island), the legislation requires that the charter document specify the education code provisions that are to be waived. In two states (Alaska and New Mexico), charter schools are responsible for following most of the state education code.

6. State Approaches to Employment Status of Staff for Charter Schools

State charter legislation contains various provisions that govern how a charter school relates to its employees. In some states, the charter school acts as an employer, while, in other states, charter school staff remain (or become) employees of the local district. In a third group of states, employment rules differ based on whether the school is newly created or a conversion school (see Exhibit 2-8 for a summary). In 15 states and the District of Columbia, charter schools are the official employers of their staff. In nine states (Alaska, Arkansas, Georgia, Hawaii, Kansas, Mississippi, New Mexico, Rhode Island, and Wisconsin), legislation requires that teachers remain (or become) employees of the district. In Ohio, New Jersey, South Carolina, and Texas, staff are employed by the charter schools in newly created schools, but remain employees of the district in conversion

EXHIBIT 2-7
STATE APPROACHES TO WAIVERS OF STATE LAW FOR CHARTER SCHOOLS

Approach	States
Automatic waiver of all or most of the state education code (except for regulations relating to health and safety, civil rights and non-discrimination, disability rights, and requirements that schools be non-sectarian)	Arizona, California, Delaware, District of Columbia, Florida, Hawaii, Illinois, Louisiana, Minnesota, Mississippi, New Hampshire, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Wisconsin, and Wyoming
Charters apply for waivers—provisions to be waived are determined on a case-by-case basis and are often noted in the school's charter	Arkansas, Colorado, Connecticut, Georgia, Kansas, Massachusetts, Michigan, Nevada, New Jersey, and Rhode Island
Charter school is responsible for following most of the state education code	Alaska and New Mexico

schools. Finally, California's legislation is silent about who employs charter school staff—in practice, some California charter schools act as employers while for other schools, the district is the employer of record.

7. State Approaches to Labor Relations Involving Charter Schools

Some charter school legislation specifies how collective bargaining laws apply to charter schools. Whether or not employees are covered by collective bargaining agreements differs by state and affects the flexibility and operation of charter schools. Exhibit 2-9 lists key differences across the states on this issue. In 19 states, charter schools are subject to state collective bargaining laws and charter school staff are allowed to bargain collectively. In some of those states, staff members remain in the district's bargaining unit while in other

EXHIBIT 2-8
STATE APPROACHES TO EMPLOYMENT STATUS OF STAFF FOR CHARTER SCHOOLS

Approach	States
Charter schools may act as employers	Arizona, Colorado, Connecticut, Delaware, District of Columbia, Florida, Illinois, Louisiana, Massachusetts, Michigan, Minnesota, Nevada, New Hampshire, North Carolina, Pennsylvania, and Wyoming
Teachers remain or become employees of the district	Alaska, Arkansas, Georgia, Hawaii, Kansas, Mississippi, New Mexico, Rhode Island, and Wisconsin
Employees of district if in public conversion school, employees of the charter school if in newly created school or private conversion schools	Ohio, New Jersey, South Carolina, and Texas
Legislation silent on employment status	California

EXHIBIT 2-9
STATE APPROACHES TO LABOR RELATIONS INVOLVING CHARTER SCHOOLS

Approach	States
Charter schools subject to state collective bargaining laws	Alaska, Arkansas, Colorado, Connecticut, Delaware, Hawaii, Illinois, Kansas, Louisiana, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New Mexico, Nevada, Ohio, Pennsylvania, and Rhode Island
Legislation silent on collective bargaining	District of Columbia, Florida, Wisconsin, and Wyoming
State does not have collective bargaining	Arizona, Georgia, Mississippi, North Carolina, South Carolina, and Texas
Legislation allows schools to address collective bargaining in their charters	California

states they are allowed to form their own bargaining unit. In three states (Florida, Wisconsin, and Wyoming) and the District of Columbia, charter legislation is silent on the status of collective bargaining arrangements. Six states with charter legislation (Arizona, Georgia, Mississippi, North Carolina, South Carolina, and Texas) do not have collective bargaining laws. California's legislation allows schools to include their approaches to collective bargaining in their charters.

8. State Approaches to the Funding and Financing of Charter Schools

The mechanisms employed to fund charter schools differ by state. Some state legislation calls for funding directly from the state treasury while in other states, state funds for charter schools are first directed to the district or other charter-granting agency and then to the schools themselves. In a third group of states, some funding flows to charter schools directly from the state while other funds are directed to the schools from the district (see Exhibit 2-10 for a summary). In 18 states[12] and the District of Columbia, funding flows from the host district to the charter school—in some states, the amount of per-pupil funding is the same as that provided to other public schools while in other states, charter schools get smaller per-pupil allotments. In five states (Arizona, Delaware, Massachusetts, Minnesota, and Ohio), funding for charter schools comes directly from the state and is the same as state funding for other public schools. In Michigan, funding comes from the state through the charter-granting agency and approximates the funding of other public schools. In five states (Connecticut, North Carolina, New Jersey, Pennsylvania, and Texas) some charter school funding flows from the state and some from the district.

Most charter legislation contains four provisions for accountability: limited-term duration of charters, requirements for student assessments, grounds for charter revocation, and process for renewal. We discuss each in turn, starting with *Duration of Charter Term.*

EXHIBIT 2-10
STATE APPROACHES TO THE FUNDING AND FINANCING OF CHARTER SCHOOLS

Approach	States
Funding flows from host district to charter school	Alaska, Arkansas, California, Colorado, District of Columbia, Florida, Georgia, Hawaii[1], Illinois, Kansas, Louisiana, Mississippi, New Hampshire, New Mexico, Nevada, Rhode Island, South Carolina, Wisconsin, and Wyoming
Funding for charter schools comes directly from the state	Arizona, Delaware, Massachusetts, Minnesota, and Ohio
Funding comes from the charter-granting agency	Michigan
Some charter school funding comes from the state and some from the district	Connecticut, North Carolina, New Jersey, Pennsylvania, and Texas

1 In Hawaii, the district and the state are the same entity.

9. State Approaches to Charter School Accountability: Duration of Charter Term

In all but two states (New Mexico and Texas), charter schools operate under performance-based contracts which specify the duration of the charter (see Exhibit 2-11 for a summary). In New Mexico, the legislation specifies a five-year duration for charters, but does not clearly specify that the charters operate under a performance-based contract. In Texas, the duration of the charter is not specified but the schools do operate as performance-based contracts. The duration of the term of the charters ranges from an annual review in Pennsylvania to 15 years (with interim five-year reviews) in both Arizona and the District of Columbia. Three- or five-year terms are the most common; legislation in 13 states specifies a five-year term and in eight other states, the term is three years.

10. State Approaches to Charter School Accountability: Student Assessment

Typically, state laws require that charter schools use the state's assessment test. This requirement holds in 17 of the charter states, as Exhibit 2-12 shows. At the time of this writing, two of those states, Arizona and California, did not have a state assessment test in place but were planning to have a new test in place by Spring 1998. Four states (Delaware, Nevada, New Jersey, and Pennsylvania) and the District of Columbia require that charter schools use the assessment tools required of other public schools, including district-level assessments. Charter legislation in five states (Arkansas, Colorado, Georgia,

EXHIBIT 2-11
STATE APPROACHES TO CHARTER SCHOOL ACCOUNTABILITY: DURATION OF CHARTER TERM

Approach	States
Mandatory annual review	Pennsylvania
3-year charter duration	Arkansas, Delaware, Florida, Kansas, Minnesota, Nevada, Ohio, and South Carolina
3-to-5-year charter duration	Illinois
4-year charter duration	Hawaii and New Jersey
4-to-6-year charter duration	Mississippi
5-year charter duration	Alaska, California, Colorado, Connecticut, Georgia, Louisiana, Massachusetts, New Hampshire, New Mexico, North Carolina, Rhode Island, Wisconsin, and Wyoming
10-year charter duration with mandatory review every seven years	Michigan
15-year charter duration with reviews every 5 years	Arizona and District of Columbia
Duration not specified in the law; must be specified in charter contract	Texas

Mississippi, and Rhode Island) requires the charter document to set out the school's approach to assessment. In Alaska, charter schools negotiate assessment requirements with the sponsoring district. In Hawaii and Wyoming, the legislation does not specify an assessment requirement.

EXHIBIT 2-12
STATE APPROACHES TO CHARTER SCHOOL ACCOUNTABILITY: STUDENT ASSESSMENT

Approach	States
Charter school must use state tests	Arizona, California, Connecticut, Florida, Illinois, Kansas, Louisiana, Massachusetts, Michigan, Minnesota, New Hampshire, New Mexico, North Carolina, Ohio, South Carolina, Wisconsin, and Texas
Charter schools must use assessments required of other public schools	Delaware, District of Columbia, Nevada, New Jersey, and Pennsylvania
Charter document must contain the school's approach to assessment	Arkansas, Colorado, Georgia, Mississippi, and Rhode Island
Charter school negotiates assessment requirements with sponsoring district	Alaska
Legislation does not specify assessment requirement	Hawaii and Wyoming

EXHIBIT 2-13
STATE APPROACHES TO CHARTER SCHOOL ACCOUNTABILITY: GROUNDS FOR REVOKING A CHARTER

Approach	States
Sponsor can revoke charter for the following: violation of charter, financial mismanagement, violation of law, failure to meet student outcome goals, or good cause	Alaska, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Kansas, Louisiana, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, South Carolina, Texas, Wisconsin, and Wyoming
In addition to the grounds listed above, charter can be revoked if majority of the staff and parents vote to end the charter	Georgia and Mississippi
In addition to the grounds listed above, charter can be revoked if two-thirds of the instructional staff vote to end the charter	Arkansas and North Carolina
Charter can be revoked for violation of charter, violation of law, financial mismanagement, failure to meet student outcome goals, or if district determines charter is not in best interest of children in district	Illinois
Grounds not specified	Hawaii, Nevada, and New Mexico

11. State Approaches to Charter School Accountability: Grounds for Revoking a Charter

State laws vary somewhat on the specific combination of grounds necessary to revoke a school's charter (see Exhibit 2-13 for a summary). In 25 states and the District of Columbia, the sponsor can revoke a charter for a violation of one or more of the following factors: a material violation of the charter, financial mismanagement, insolvency, violation of the law, failure to meet student outcome goals, or unspecified good cause. Legislation in four of those states (Arkansas, Georgia, Mississippi, and North Carolina) contains an additional provision stating that the charter can be revoked if the majority of the staff and parents (Georgia and Mississippi) or two-thirds of the instructional staff (Arkansas and North Carolina) vote to end the charter. The Illinois law contains a provision that the charter can be revoked for violation of the charter, failure to meet student outcome goals, violation of laws, financial mismanagement, or if the district that granted the charter determines that the charter is not "in the best interest of the children in the district." In Hawaii, Nevada, and New Mexico, grounds for charter revocation are not specified in the legislation.

12. State Approaches to Charter School Accountability: Charter Renewal Process

Exhibit 2-14 shows that the renewal process mirrors the charter-granting process in six states (Connecticut, Kansas, Louisiana, Mississippi, New Hampshire, and Rhode Island); in Louisiana, the charter school also must demonstrate improvement in the academic

EXHIBIT 2-14
STATE APPROACHES TO CHARTER SCHOOL ACCOUNTABILITY: CHARTER RENEWAL PROCESS

Approach	States
Mirrors the charter-granting process	Connecticut, Kansas, Mississippi, New Hampshire, and Rhode Island
Mirrors charter-granting process and school must also demonstrate improvement in academic performance of students as described in their charter	Louisiana
Renewal is at the discretion of the sponsor	Arizona, Colorado, Delaware, District of Columbia, New Mexico, Ohio, Pennsylvania, South Carolina, and Texas
At the discretion of sponsor, but legislation provides for an appeal to the State Board of Education	Minnesota
Renewal must be approved by both sponsor and State Board of Education	North Carolina
Process for renewal must be included in school's charter	Arkansas
Legislation does not specify a renewal process	Alaska, California, Florida, Georgia, Hawaii, Illinois, Massachusetts, Michigan, Nevada, New Jersey, Wisconsin, and Wyoming

performance of its students as described in its charter. In nine states (Arizona, Colorado, Delaware, Minnesota, Mississippi, Nevada, New Mexico, South Carolina, and Texas) and the District of Columbia, renewal is at the discretion of the sponsor; in Minnesota, the legislation also provides for an appeal of the revocation to the State Board of Education. In Arkansas, the process for renewal must be included in the school's charter, while in North Carolina, the renewal must be approved by both the sponsor and the State Board of Education. In the remaining 12 states, the legislation does not specify a renewal process. Presumably, the charter-granting agency in each of these states will determine the renewal process.

* * *

The foregoing summary illustrates that legislative frameworks established by states vary greatly and that charter developers in some states are more or less constrained than in others. The Study is developing rubrics to classify each state according to the way the state's

EXHIBIT 2-15
KEY FEATURES OF CHARTER LEGISLATION IN STATES THAT ENACTED CHARTER LEGISLATION IN 1997

Legal Feature	Mississippi	Nevada	Ohio	Pennsylvania
1. Who can grant charters	Both local school board and state board must approve charter; no appeals process	Local school board; state department review of charter for completeness; no appeals process	Local school boards or the State Board of Education; no appeals process	Local school boards with appeal to state appeals board to go into effect in 1999
2. Types of charter schools allowed	Public school conversions only	Newly created schools and public school conversions	Public school conversions throughout the state; newly created schools permitted in "big eight" school districts	Newly created schools and public school conversion
3. Number of charter schools	Statewide limit of six, to be distributed by congressional district	No limit for schools serving "at-risk" students; caps for other charter schools vary by district size and county population	No limit for conversion schools; no limit on start-ups in the "big eight" school districts	No limit
4. Legal status of charter schools	Ambiguous	School acts as an independent employer	School operates as a nonprofit corporation	School operates as a nonprofit corporation
5. Waivers of state laws for charter schools	State laws waived, but specifics appear to be negotiable with state board	Many state laws not waived; school may deviate from state-adopted curriculum and may employ up to 25 percent non-licensed teaching staff under some circumstances	Most education laws automatically waived	Many state laws are waived
6. Regulations on staff for charter schools	Staff are employed by the local district and entitled to same pay and privilege	Staff are employed by charter school	Staff are employed by charter schools in new schools; staff remain employees of the school district in conversion school	Staff are employed by charter school

charter law might affect the autonomy afforded and the accountability required of individual charter developers and how the statutes might stimulate or hinder broader effects on the public education system. The results of this analysis will be presented in future reports.

Appendix B contains a state-by-state summary of the legislation across all states with charter laws as of the 1997 legislative session. The next section summarizes statutes for states that enacted their first charter legislation during 1997. In addition, several states made significant changes in their charter legislation during the 1997 legislative session; a later section of this chapter describes these changes.

E. STATES WITH NEW LEGISLATION

During the 1997 legislative session, four states (Mississippi, Nevada, Ohio, and Pennsylvania) passed new charter legislation. Exhibit 2-15 displays key features of the

EXHIBIT 2-15 (CONTINUED)
KEY FEATURES OF CHARTER LEGISLATION IN STATES THAT ENACTED CHARTER LEGISLATION IN 1997

Legal Feature	Mississippi	Nevada	Ohio	Pennsylvania
7. Labor relations involving charter schools	Not a collective bargaining state	School must initially conform to terms of existing collective bargaining agreements; upon charter renewal, employees may form separate bargaining unit	Conversion schools, staff remain in bargaining unit; the majority of the staff can vote to be removed from bargaining unit; at newly created schools employees may bargain collectively	Charter schools are subject to existing state collective bargaining laws, bargaining units at charter schools must be separate from district units
8. Funding and finance of charter schools	Funding goes through district	Funding goes through district	Funding flows directly from the state	State funding flows through the local district; federal funding flows directly from the state
9. Accountability: duration of charter term	Charter terms can range from four to six years	Three-year charter term	Three-year charter term	Mandatory annual review
10. Accountability: student assessment	Charter must contain school's approach to assessment	Charter schools must use assessments required of other district schools	Charter schools must use state tests	Charter schools must use assessments required of other district schools
11. Accountability: grounds for revoking a charter	Violation of charter, fiscal mismanagement, violation of the law, failure to meet student outcome goals, good cause, or the majority of staff and parents vote to end the charter	Grounds not specified	Violation of charter, fiscal mismanagement, violation of the law, failure to meet student outcome goals, or good cause	Violation of charter, fiscal mismanagement, violation of the law, failure to meet student outcome goals, or good cause
12. Accountability: charter renewal process	Mirrors the charter granting process	Process not specified	At the discretion of the sponsor	At the discretion of the sponsor

charter legislation for each. This section reviews the legislation in each of those states, while Appendix B provides an overview of the legislation in these states along with the legislation of the other charter states. The legislation in these four "new" states is illustrative because legislators there were able to benefit from the experience of the other 25 states as they developed and considered their chartering law. At the end of the section, we will explore whether new states enacting charter legislation show a pattern of more or less restrictive policies for charter schools.

Mississippi

The Mississippi legislation limits the number of charter schools to six and permits only the conversion of existing public schools into charter schools. The six schools are to be distributed across the state with one charter school in each of the state's Congressional districts and one in the state's Delta region. A local school applying to convert to charter status must have the petition approved by both a majority of the faculty and other instructional staff of the school and a majority of the parents of students enrolled in the school. After that, the local school board and the State Board of Education must approve the petition as well. The Mississippi Department of Education has developed an extensive rating system for review and approval of charter petitions.

Teachers in Mississippi charter schools remain employees of the local district. Charter schools appear to be exempt from most local regulations and from some State Board of Education policies. However, Mississippi charter schools are required to follow state regulations that apply to public school districts, including attendance; reporting and financial accounting requirements; ordering state-purchased textbooks; student expulsion and suspensions; and health and safety regulations. Charter schools are also required to submit annual reports on their progress to the State Department of Education.

Nevada

Charter legislation in Nevada allows for both the conversion of existing public schools and the creation of new charter schools. Local school boards must apply to the State Department of Education for the authority to grant charters. A school board that has received authority to grant a charter must submit a specific charter proposal to the Nevada State Department of Education, which reviews the proposed charter for "completeness" and for compliance with requirements that the department will develop. The legislation requires yearly reports from the charter schools that include such items as past and proposed expenditures, a written description of how much progress a charter school is making in achieving its goals, a count of students enrolled in the charter school, and the salary and assignments of charter school employees.

The Nevada legislation calls for charter schools to (1) serve the best interests of students who are "at risk"[13] and (2) experiment with providing "a variety of independent public schools" that offer innovative educational approaches to produce measurable and positive student outcomes.

Nevada does not place a limit on the number of charter schools that serve at-risk students. For other charter schools, the legislation mandates a complex formula that determines the maximum number of charter schools possible within the state. A cap applies to the number of charters for a county, with a small county (less than 100,000 people) eligible for one charter school, a medium size county (between 100,000 and 400,000 people) eligible for two charter schools, and a large county (more than 400,000 people) eligible for two charter schools per 75,000 pupils. This formula limits the number of charter schools not serving at-risk students to approximately 19 statewide.

The Nevada legislation does not provide for an appeals process if a school's proposal is turned down by the district. Schools must conform to existing bargaining agreements for at least the first three years of the charter. The schools have some degree of operational autonomy, but there is seemingly little freedom from existing state laws. The law contains extensive reporting requirements and calls for a great deal of involvement by the State Department of Education in monitoring and accountability activities.

Ohio

In Ohio, charter schools are called "community schools," since the term "charter school" has for many years been used to describe schools—both public and private—that operate under an agreement (or charter) to comply with the state's education code.

Community school legislation in Ohio allows for the conversion of all or part of a public school in any district within the state and for these conversion schools, local districts are the community school granting agency. In the "big eight" school districts in the state—Akron, Cincinnati, Cleveland, Columbus, Dayton, Lima, Toledo, and Youngstown—the legislation also allows for the development of an unlimited number of newly created community schools. In these districts, newly created community schools can be proposed by any group and can be granted by any of the following agencies: (1) the local school board of the district in which the school will be located; (2) the board of any other city, local exempted village, or local vocational school district that has territory in the county in which the big eight district has the major portion of its territory; or (3) the state board of education. In other words, nearby districts and the state board of education can grant charters for newly created community schools within the big eight districts, traditionally the districts in which many students have low achievement levels.

The Ohio legislation allows community schools to have an automatic waiver exempting them from most laws that school districts in the state must follow. The major exception concerns collective bargaining, discussed below. The other exceptions require that community schools follow a number of state regulations, including those relating to health and safety, the availability of public data, statewide student proficiency testing, suspension and expulsion of students, compulsory school attendance, and criminal records checks for employees.

The legislation requires that the employees of community schools converted from pre-existing public schools remain a part of the collective bargaining unit they were in prior to the school's conversion and remain employees of the district for the purposes of collective

bargaining. The majority of a converted school staff may vote, however, to be removed from the bargaining unit and either create their own bargaining unit or become employees of the community school's governing board.

The legislation requires that all community schools be nonsectarian and enroll students without discrimination on the basis of race, creed, color, or handicapping conditions. Community schools are allowed to restrict enrollment to students that meet the charter's definition of "at risk" or to residents of the district in which the school is located.

Finally, the legislation creates a state community schools commission to provide information and assistance to community schools, school boards sponsoring or considering sponsoring a community school, and groups wanting to start a community school.

Pennsylvania

The Pennsylvania legislation permits charter schools to be either newly created or public school conversions and allows an unlimited number of charter schools. The charter must be granted by a local school board, but charter founders can appeal adverse decisions to the State Board of Education. The appeals process does not take effect until the 1999–2000 school year.

The law allows existing public schools to convert to charter status with the approval of more than 50 percent of the parents and teaching staff in the school. Charter schools are established as nonprofit corporations and employ their staff. Regardless of the schools' status as newly created or conversion schools, the legislation requires that at least 75 percent of each school's professional staff hold appropriate Pennsylvania certification. Staff are allowed to bargain collectively as part of a bargaining unit separate from that of the district. The legislation calls for a mandatory annual review of the charter and requires that charter schools use the same assessments required of other public schools.

State funding for charter schools is allocated by the state to the sponsoring district, which deducts a portion of state funding for cost items not incurred by charter schools. Federal funding is allocated to the charter schools directly from the state. The legislation contains provisions that temporarily reimburse the local school district for the loss of revenue caused by the enrollment of students in the charter school and provides payments to the district due to the transfer of private school students to the charter school.

* * *

The legislation in these four states highlights several issues. Some states are proceeding cautiously with respect to charter legislation by limiting charter-granting agencies, limiting the number of charters to only a few schools, and limiting the degree of autonomy afforded charter schools. Mississippi's legislation requires that a charter be approved by both the local school board and the state board of education. Its limit of six public conversion schools across the state is quite restrictive. Consequently, the impact of charter schools on the larger education system is likely to be quite small. Nevada's legislation is

also restrictive in that it requires local district approval of the charter and it does not free charter schools from most laws that apply to other public schools in the district.

In other states, the legislature has proceeded less cautiously. Legislation in Ohio focuses on creating newly formed charter schools in the large urban districts in the state; while it limits the number of newly created schools in most of the state, it sets no limit on the number of either newly created or conversion schools in the large urban districts. The legislation also allows the approval of charter schools by multiple sponsors, grants charter schools flexibility by waiving most of the education code, and allows charter schools to operate as independent agencies. Similarly, Pennsylvania legislation allows for an unlimited number of both newly created charter schools and public school conversions and grants schools flexibility by waiving much of the education code. The legislation also calls for an annual review of the charter. The legislation allows only local districts to grant charters but contains an appeals provision that goes into effect for the 1999–2000 school year.

F. STATES WITH MAJOR LEGISLATIVE CHANGES

During 1997, 11 states and the District of Columbia made changes in their charter legislation. Most of the changes were relatively minor, generally clarifying ambiguities in the original legislation. The legislatures in five states—Connecticut, Louisiana, Massachusetts, Michigan, and Minnesota—made significant changes to their charter legislation during the 1997 legislative session. The remainder of this section describes the legislative changes in those states.

Connecticut

Charter school legislation was initially passed in Connecticut in 1996 and the law was amended in the 1997 legislative session. Some changes to the law were in response to the *Sheff v. O'Neill* decision (1996), the state's desegregation case.[14] Charter school applications must now describe student admission criteria and procedures that will promote a diverse student body. The application must also describe efforts to "increase the racial and ethnic diversity of the staff." In addition, the state board must give preference to applications for charter schools in districts in which 75 percent or more of the enrolled students are members of racial or ethnic minorities, or for state charter schools that will be located at a worksite.

Connecticut's charter school law originally allowed for 12 local charter schools and 12 state charter schools. A local charter school is a public conversion school sponsored by the local or regional board of education of the school district in which it is located. The State Board of Education makes the final decision on the school's application. State charter schools, on the other hand, are approved by the State Board of Education. One of the changes to the law is that the State Board of Education may grant a total of 24 charters, without regard to whether they are for local or state charter schools.

The law has also been amended to modify the limit set by the original statutes on the number of students statewide who can enroll in charter schools. The original legislation limited

charter school enrollment to 1,000 students for state sponsored charter schools. This cap has been lifted; however, the 1998–99 budget will appropriate state funds for only 1,500 students at the current rate, an increase of 500 for that year.[15] The original law limited the number of charter schools within Congressional and school districts; the new legislation lifts these limits.

The amendments also change the funding process for special education students in charter schools. The school district in which a special education student resides will be required to hold a planning and placement team meeting for the student and to invite representatives from the charter school to participate. The sending school district will pay the charter school an amount equal to the difference between the reasonable cost of educating a special education student and the sum of the amount received by the state charter school from state, federal, local and private sources calculated on a per-pupil basis.

Louisiana

During the 1997 legislative session, Louisiana amended several provisions of its legislation. Under its original legislation, the State Board of Education could grant up to eight local (parish) school boards the authority to grant charters. The 1997 amendments eliminated the process of local (parish) school boards applying for charter-granting authority. The amendments also extended charter-granting authority to all parish school boards as well as to the state board of education. The amendments also contain a limit on the number of charter schools, specifying no more than 20 schools through 1998 and increasing to 42 schools until 2001. Thereafter, the state Commissioner of Education determines the limit on the number of charter schools in the state.

Massachusetts

In 1997, Massachusetts passed a bill that amended the charter school law originally written into the 1993 Education Reform Act. The original law limited the number of charter schools to 25 for the entire state. The new law increased that cap to 50, creating a new category of charter schools called Horace Mann Schools and reserving 13 of the new slots for these schools, and allowing 12 additional state-approved Commonwealth charter schools.

Horace Mann charter schools are former district public schools or parts of public schools that operate under a five-year charter approved by the local school committee, the local teacher's union president, and the Board of Education. Funding for Horace Mann schools comes directly from the school district in which the school is located. Each year, the board of trustees of a Horace Mann school will submit a budget request for the following fiscal year to the superintendent. Under the law, a Horace Mann charter school cannot receive less than it would have under the district's standard budgetary allocation rules.

Commonwealth charter schools are those approved by the State Board of Education. The cap was lifted to allow 37 of these schools, up from 25. The law more than doubled the cap on the number of students who may attend charter schools from .75 percent of the total

number of students attending public schools to two percent (Horace Mann students are not included in the two percent cap).

The amendments changed several other features of the charter legislation for Commonwealth charter schools. They limit future charter applicants to nonprofit entities and give preference in granting charters to applications from low-performing districts or schools. New charter applicants seeking to establish a Commonwealth charter school are now required to hold a public hearing in the district where the school will be located. A regular public school teacher who moves to a Commonwealth charter school is limited to a two-year leave of absence. The amendments also eliminate using "reasonable academic standards" as a criterion for admitting students to Commonwealth charter schools. Finally, the amended law requires that charter schools promote and disseminate successful and innovative programs to other public schools through several mechanisms, including prohibiting charters from charging to share their curricular materials. The legislation also requires school committees where a Horace Mann school is located to develop a plan to disseminate the school's innovative practices to other public schools in the district.

Michigan

Michigan originally passed charter legislation in 1993. The Michigan Education Association brought suit against the law in 1994, arguing that charter schools were not eligible for state funding. A state appellate court ruled in favor of the Michigan Education Association and overturned the charter law. In response to the court's decision, the Michigan legislature revised the charter legislation to bar the granting of charters to networks of home schoolers. Since the revision of the legislation, 88 charter schools have opened.

In July 1997, the state Supreme Court handed down a ruling upholding the constitutionality of the original statute. The state's charter schools will now operate under the original version of the statute. Now that charter schools have been declared constitutional, they may have an easier time borrowing money for start-up and other costs.

Minnesota

In the 1997 session, the Minnesota legislature enacted several significant amendments to the state's charter legislation. Legislative amendments repealed the cap on the number of charter schools, allowing an unlimited number of charters in the state. Sponsorship was expanded to allow public and private four-year and community colleges to sponsor charter schools. Previously, public postsecondary institutions were allowed to sponsor charter schools. A prohibition on charter schools using private funds for operating expenses was repealed.

The amendments also provided for first time start-up assistance to new charter schools. Start-up grants, equal to the greater of $50,000 or $500 per pupil, are now automatic for the first two years of a new charter school. In addition, the legislation provides aid for leasing school buildings.[16] The amount of aid for leasing buildings is to be the lesser of 80 percent of the actual lease cost or a sum calculated from the state average debt redemption fund revenue (estimated to be $425 per pupil for fiscal year 1998).

* * *

These changes appear to signal a greater willingness on the part of states to expand the charter movement. Minnesota, with the oldest charter legislation, made legislative changes in 1997 that are quite significant: removing the limit on the number of charter schools, expanding the number of charters, and providing funding both for start-up and facilities. As we reported last year, newly created charter schools cited lack of start-up funds and inadequate facilities as the most common barriers to implementing their charters. The changes in the Minnesota law are likely to increase the number of charter schools in the state. Legislative changes in Louisiana provide for sponsorship of charter schools by all local school boards and eliminate a process that required state board approval of districts before they could grant charters. Legislation in Connecticut expands the cap on the number of students who can enroll in charter schools, while in Massachusetts the legislation both expands the cap on the number of charter schools and creates a new category of charters. In Massachusetts, the legislation also signals a movement toward linking the charter schools more closely to the districts in which they are located. The legislation requires prospective charter schools to hold hearings in the district in which they will be located and to disseminate their innovations to other schools in the state.

G. SUMMARY

- **Charter school growth and spread.** The number of charter schools in operation continued to grow rapidly last year, with 279 additional charter schools becoming operational. Taking into account 19 charter school closures, 693 charter schools were in operation in the 1997–98 school year in 23 states and the District of Columbia. If the various branches of charter schools in Arizona are counted as separate charter schools, the number of charter schools in operation was approximately 781. During the 1997 legislative session, four new states—Mississippi, Nevada, Ohio, and Pennsylvania—passed charter legislation; as of September 1997, 29 states and the District of Columbia had charter laws.

- **Closures.** By the beginning of the 1997–98 school year, 19 charter schools of the 433 operational until that time had ceased operation. They closed voluntarily, had their charters revoked, or merged their operation with other charter schools.

- **Charter renewals.** Twenty-nine charter schools responding to our survey reported that their charter had come up for renewal; all of the schools reported that their charters were renewed for periods ranging from one to three years.

- **Key legislative features.** Although state laws vary across a number of dimensions, several key features dictate the number and types of charter schools that are created within each state.

  WHO CAN GRANT CHARTER: In 11 states only the local school board can grant charters (in five of the states, denial can be appealed to another agency); in five states, a single state agency can grant charters; in five states a local school board and a state board must approve the charter; in five states, more than one agency can grant

charters. The remaining three states are mixed models with the local school board allowed to grant public school conversions and the state board allowed to grant newly created charter schools.

TYPES OF SCHOOLS ALLOWED: Most states (20) allow both newly created and conversion schools, four states only allow public conversions, and five states and the District of Columbia allow both public and private conversions.

NUMBER OF SCHOOLS ALLOWED: Most states (16) and the District of Columbia establish some limit on the number of charter schools or the number of students enrolled in charter schools. Thirteen states have no limit on the number of schools or students.

WAIVERS OF STATE LAWS: Most states (17) and the District of Columbia allow automatic waivers of most of the education code while in ten states, charter schools must apply for specific waivers. In two states, however, charter schools are responsible for following most of the education code.

- **Possible legislative trends.** Several states amended their charter legislation during the 1997 legislative session and several trends are beginning to emerge: (1) States with older charter legislation are increasing their limits on charter schools—Minnesota, Massachusetts, and Louisiana all increased their limits to allow for more charter schools and (2) Some states amended their laws to provide for increased flexibility in their charter-granting process—Massachusetts and Minnesota increased the number of charter-granting agencies and Minnesota provided capital funding for charter schools.

1 This chapter and Appendix B describe only formal legislation. They do not describe the *de facto* policies, procedures or bureaucratic practices by which states implement their statutes. Both *de jure* and *de facto* aspects are necessary to fully understand a state's approach and how it affects the nature, type, and effects of charter schools within the state. Subsequent reports from the Study will present in-depth case material on these issues.

2 This chapter contains information on state charter legislation enacted and amended up to and including the 1997 legislative session.

3 Nearly all of the 21 states without charter legislation have had charter legislation introduced or have groups actively advocating charter legislation; some states have gone much further in considering the legislation than others. The Study will continue to track legislative activity over the coming years.

4 This definition excludes from the Study some charter-like schools. For example, some cities and public school districts, such as New York, have established charter-like schools if judged by the freedom these schools have from regulations and the choice that students have to attend them. Also, we have opted to exclude single state-sponsored specialty schools (e.g., state schools for the arts, or schools for low-incidence special education students) even if they operate pursuant to the terms of a state-granted charter or charter-like contract. We have also excluded some states that do not have formal charter legislation but have policies that create schools that share some charter-like characteristics (Oregon and Puerto Rico).

5 It is difficult to determine a precise figure for the number of charter schools across the country. New schools begin operating at different times during the year, states define and count charter schools differently, and not all schools granted charters begin operation on the date proposed to the state. In addition, some schools granted a charter may never become operational, and charter schools that begin operation may close or have their charters revoked. Study staff identified the number of charter schools in operation by contacting the persons responsible for charter schools in state departments of education and other charter-granting agencies, requesting information on operating charter schools using our definition, and consulting all available published sources—including charter school directories. The 693 charter schools reported in Exhibit 2-2 are schools that were delivering instruction to students as of September 1997. This count excludes branches of the same school operating in different locations under one charter, as is the case for 36 charters in Arizona; the branch schools enroll students at the same grade level and share organizational structure and philosophy. We estimate that 124 separate "branch schools" were operating in Arizona under those 36 charters. Were those schools added to the total, the number of charter schools would increase to 781. California legislation allows districts to become "charter districts"; as of September 1997, two small districts (with a total of seven schools) have chartered, converting all of the schools in each district to charter schools. In addition, in the Los Angeles Unified School

District, eight schools operate as a "charter complex" under the same charter. In the California cases, we have counted the schools as separate schools since all of the schools operated as separate schools prior to converting to charter status. Twenty-three states and the District of Columbia had operational charter schools as of September 1997.

6 Depending on the definition of charter schools, the numbers of charter schools would be different; if Arizona "branch schools" were counted as individual schools rather than as charters, for example, the number of charter schools would increase to 781.

7 The Minnesota State Board of Education closed the high-school grades of another charter school, a K–12 school; the school continues to operate at grades kindergarten through grade eight and we did not include it in our count of closures.

8 One of the schools has since reopened as a satellite of another charter school in a different district.

9 This section reports on the renewal experiences of the schools that responded to the telephone survey during the 1996–97 school year.

10 Newly created schools are schools that opened because of the charter opportunity—they came into existence as charter schools.

11 Wisconsin's law allows for the conversion of private schools only in Milwaukee. Two Minnesota private schools have been converted to public charter schools. However, the Minnesota Attorney General has issued an opinion that casts doubt on whether other private schools can be permitted to convert unless the developers have first tried to establish a newly created charter school and have been denied.

12 California, one of 18 states that funds schools through the district, is preparing to pilot a system in six of the state's charter schools that would allow them to be funded directly from the state.

13 The Nevada charter legislation contains a definition of students at risk that includes students from economically disadvantaged families, students with limited proficiency in English, potential dropouts, and students who do not meet "minimum standards" of academic achievement.

14 *Sheff v. O'Neill*, 238 Conn. 1; 678 A.2d 1267 (1996).

15 After 1998–99, the effective cap number of students in charter schools will be determined by state's budget allocation.

16 Funds were appropriated for the next two fiscal years; however, insufficient funds were appropriated for FY 1998. Currently, start-up aid is limited to about 50 percent of the intended amount. Charter advocates are lobbying for a full appropriation in the 1998 legislative session.

III. Characteristics of Charter Schools

Each state's charter law creates an "opportunity space" for those who would like to become charter founders. Some states offer more circumscribed opportunities than others, as discussed in Chapter II. For example, four states allow only pre-existing public schools to convert to charter status, whereas five states plus the District of Columbia permit charter schools to be newly created or to convert from pre-existing public or private schools. Within their state context, charter school founders decide on such elements as the number of students they intend to enroll and the grade levels that their school will cover. This chapter describes characteristics of charter schools that have resulted from state law and local decisions of charter school founders.

Chapter Highlights

- **Charter schools enroll about 0.5 percent of public school students in the charter states.**
- **Most charter schools are small, particularly compared to other public schools.** Charter schools have an estimated median enrollment of about 150 students, whereas other public schools in the charter states have a median of about 500 students. More than 60 percent of charter schools enroll fewer than 200 students, whereas about 16 percent of other public schools have fewer than 200 students. Charter schools begun in the 1995–96 and 1996–97 school years have a higher proportion of small schools, those with fewer than 100 students than schools opened in earlier years.
- **Many charter schools have nontraditional grade configurations.** Charter schools include a higher proportion of K–12, K–8, and ungraded schools than other public schools.
- **Most charter schools are newly created schools.** An estimated 62 percent of charter schools were created because of the charter opportunity; the remainder are pre-existing public schools (25 percent) or pre-existing private schools (13 percent) that have converted to charter status.
- **Newly created charter schools tend to be smaller than converted schools.** The median school size for newly created schools is 116 students, compared to a median of more than 380 students for pre-existing public schools.

A. A METHODOLOGICAL NOTE

The Study gathered the data reported in this chapter using a telephone survey of all charter schools that were operating as of January 1, 1997. At that time, charter schools were operational in 16 states plus the District of Columbia. The only charter school open in Illinois at the time of the 1996–97 survey did not respond to our telephone calls. As a result, our analyses draw on data from schools in 15 states plus the District of Columbia. We have been careful to differentiate states from the District of Columbia up to this point. For ease of data presentation in the remainder of the Report, we refer to this group as the "16 charter states."[1]

We completed surveys for 381 schools or 89 percent of the 428 schools that were operational as of January 1, 1997. These schools represent a sample of the universe of charter schools, and consequently the statistics reported here are an estimate. Although the number of schools and students estimated in this Report are somewhat lower than the actual totals of all charter schools, the percentages used throughout are reasonably accurate and the best estimates possible at this time.[2] (See Appendix C for a discussion of survey response patterns.) This chapter describes characteristics of the group of charter schools in operation as of January 1997.

We will describe such charter school characteristics as school size, the number of newly created versus pre-existing charter schools (including the number of charter schools that were formerly public or private schools), and the range of grade-level configurations of charter schools. We will also explore whether and how charter schools that became operational more recently differ from charter schools that began earlier.

To place charter school characteristics into their context, we present data that compare charters to other public schools in the 16 charter states. We have chosen to use two complementary data presentations: (1) a general comparison across states, in which the average for all charter schools across the 16 states is compared to the average for all public schools across the 16 states weighted in one of several ways depending on the nature of the data,[3] and (2) a state-by-state comparison of proportions or averages of all charter schools with similar proportions or averages of all public schools, in each respective state.[4]

B. ENROLLMENT BY STATE

During the 1996–97 school year, we estimate charter school total enrollment to be 110,122 students[5]—approximately 0.5 percent of all students in the 17 charter states. Although California charter schools enroll the largest number of students—50,275 or 46 percent of all charter school students—California charter school enrollment represents slightly less than one percent of the state's public school population (see Exhibit 3-1). On the other hand, Arizona's estimated 16,907 charter school students make up more than two percent of that state's public school enrollment. Charter school enrollment in the remaining states ranges from less than .1 percent of the state's enrollment in Florida, Illinois, and Louisiana to an estimated one and three-tenths percent in New Mexico.

C. SCHOOL SIZE

Echoing last year's findings, our survey results show that charter schools remain, on average, considerably smaller than other public schools in the states with charter schools. Exhibit 3-2 compares enrollment for charter schools with all public schools in the 16 states with operational charter schools.

We estimate that more than 60 percent of all charter schools are small schools that enroll fewer than 200 students with almost 35 percent enrolling fewer than 100 students; in contrast, only 16 percent of all public schools in states with charter schools enroll fewer than 200 students and about nine percent enroll fewer than 100 students.[6] At the other end of

EXHIBIT 3-1
ESTIMATED ENROLLMENT BY STATE: CHARTER SCHOOLS (1996–97) AND ALL PUBLIC SCHOOLS (FALL 1996) IN THE SEVENTEEN[1] CHARTER STATES

	Charter school enrollment, 1996–97[2]	All public school enrollment, Fall 1996[3]	% of public school students in charter schools
California	50,275	5,535,312	0.9%
Arizona	16,907	749,759	2.3%
Michigan	10,298	1,662,100	0.6%
Georgia	8,249	1,321,239	0.6%
Colorado	6,709	673,438	1.0%
Massachusetts	5,360	936,794	0.6%
New Mexico	4,461	330,552	1.3%
Texas	2,534	3,809,186	0.1%
Minnesota	2,142	836,700	0.3%
Wisconsin	1,053	884,738	0.1%
Hawaii	832	188,485	0.4%
Florida	446	2,240,283	0.0%
Delaware	290	110,549	0.3%
Louisiana	281	777,570	0.0%
District of Columbia	174	79,159	0.2%
Alaska	91	126,015	0.1%
Illinois	20	1,961,299	0.0%
Total	110,122	22,223,178	0.5%

1 In this exhibit, we include students from the one charter school in Illinois for which we were able to obtain estimated enrollment information. In later exhibits, Illinois is not included because the one charter school did not respond to our surveys. Later exhibits therefore refer to 16 charter states.

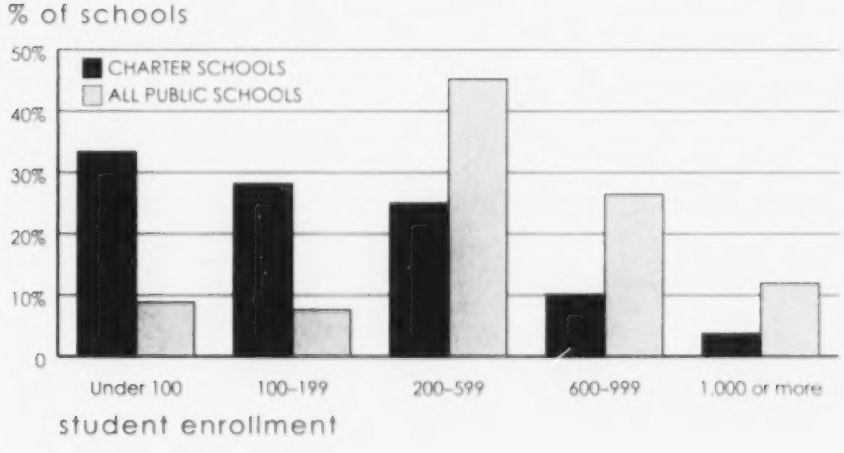
2 The data for this figure represent estimates using the telephone sample of 381 charter schools plus data gathered from other sources. Our telephone survey has a response rate of 89 percent, which is a high enough rate that most analyses reported in this document are reasonably accurate. However, for the purpose of estimated total charter school enrollment, we supplemented our 1996–97 telephone survey data with information from other sources. We drew on state sources in Colorado, California, and Massachusetts to include 1996–97 enrollment data for all missing schools in those states. For Michigan, Texas, Wisconsin, New Mexico, Georgia, Illinois and one school in Arizona, we were able to obtain some missing data from the 1996–97 Common Core of Data. The number of charter schools represented by these data is 406, which is 95 percent of the total number of operational charter schools in 17 charter states. (We were unable to obtain estimated enrollment figures for 22 charter schools.)

3 For this figure we were able to obtain estimated enrollment information from the 1997 Digest of Education Statistics, U.S. Department of Education, Office of Educational Research and Improvement. In general, this report relies on more extensive data from all operational public schools in the 16 charter states (N=33,706) which report student enrollment information to the National Center for Education Statistics, 1994–95 Common Core of Data Survey.

the size continuum, 14 percent of the charter schools have more than 600 students, and about 4 percent have more than 1,000 students. In contrast, 38 percent of all public schools in the 16 charter states enroll more than 600 students and 12 percent enroll more than 1,000 students. Overall the estimated median enrollment is 149[7] students for charter schools and 505 students for all public schools in these states.

A closer examination of the data suggests an additional finding.[8] We divided the charter schools in our sample into three groups on the basis of the year in which the school opened: those that opened during the 1994–95 school year or earlier; those that opened during the 1995–96 school year; and those that opened during the 1996–97 school year. The data, shown in Exhibit 3-3a, reveal that recently opened schools are usually smaller than schools opening earlier. About 73 percent of the schools that opened during the 1996–97 school year enroll fewer than 200 students, compared to 62 percent of the schools that opened in the 1995–96 school year and 51 percent of the schools that opened in the 1994–95 school year. As Exhibit 3-3b illustrates, the estimated median school size ranges from 180 students for schools opening during the 1994-95 school year or earlier to 111 students for schools opened in 1996-97.

EXHIBIT 3-2
ESTIMATED ENROLLMENT IN CHARTER SCHOOLS (1996–97)[1] AND ALL PUBLIC SCHOOLS IN THE SEVENTEEN CHARTER STATES (1994–95)[2]

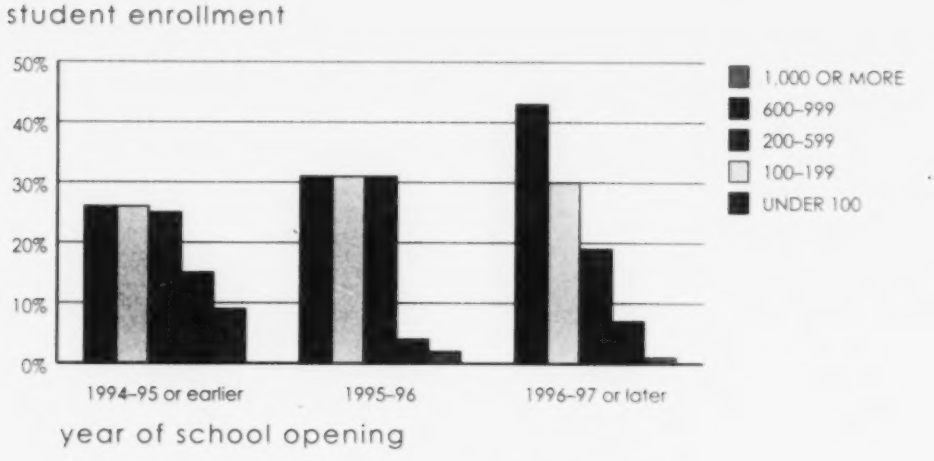


1 This figure relies on data from the telephone sample of 381 charter schools plus data gathered from other sources as described in an earlier footnote. The total number of charter schools represented by these data is 406 schools. Later exhibits refer to a median size of 143, which includes only those 381 charter schools in our sample. This median size includes estimated enrollment figures from additional sources.

2 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey, 1994–95. We use the CCD data here rather than data from the Digest of Education Statistics because the enrollment distribution is based on school-by-school enrollment figures; the Digest provided only overall enrollment figures for each state.

In other words, the data show that this most recent group of charter schools—schools started in the year with the largest single-year increase in the number of charter schools—are, on average, smaller than schools started earlier. In the remainder of this chapter, we will relate size to other characteristics of charter schools.

EXHIBIT 3-3A
ESTIMATED DISTRIBUTION OF ENROLLMENT IN CHARTER SCHOOLS BY YEAR OF SCHOOL OPENING (1996–97)[1]



1 We used the traditional public school calendar of the school year running from July through June, so schools considered to be open in the 1995–1996 school year are those that opened between July 1995 and June 1996. This figure relies on data from 380 charter schools. One charter school was excluded from this analysis because of missing enrollment information. This chart and all subsequent analysis uses charter school data only from the telephone survey. The numbers of charter schools over time used in this and the next exhibit are 98 for the 1994–95 school year or earlier; 137 for 1995–96; and 145 for 1996–97. These numbers differ by one school from numbers shown later because of the missing enrollment data.

EXHIBIT 3-3B
ESTIMATED MEDIAN ENROLLMENT OF CHARTER SCHOOLS BY YEAR OF SCHOOL OPENING

Year of school opening	Median enrollment	# Charter schools
1994–95 or earlier	180	98
1995–96	148	138
1996–97	111	145
All charter schools	143	381

D. GRADE LEVELS

Charter schools are much more likely to span grade levels different from those in other public schools in the charter states. Only about half (51 percent) of all charter schools fit the traditional grade-level configurations of elementary, middle, or high school, compared to 78 percent of all public schools in the 16 charter states (see Exhibit 3-4).

Exhibit 3-4 shows that charter schools are more likely to span grades kindergarten through eight—we estimate that nearly 17 percent of charter schools span these grades, compared to about four percent of all public schools in the 16 charter states. Charter schools are also more likely than all public schools in charter states to span all of the grades from kindergarten through 12 (an estimated 11 percent of charter schools compared to three percent of all public schools in the 16 charter states). Slightly more than a quarter (an estimated 26 percent) of charter schools are elementary schools, compared with almost half (49 percent) of all public schools in the 16 charter states. This finding is similar to the conclusion reached in last year's Report. However, schools that opened later are somewhat more likely to reflect traditional middle- and high-school grade-level configurations, whereas schools opening during or before the 1994–95 school year are somewhat more likely to serve students in grades K–8, middle-high, and K–12 (see Exhibit C-2 in Appendix C).

EXHIBIT 3-4
ESTIMATED GRADE LEVEL DISTRIBUTION AND MEDIAN ENROLLMENT FOR CHARTER SCHOOLS (1996–97)[1] AND ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES[2] (1994–95)

	Grade level distribution		Median enrollment	
Grade levels[3]	% of charter schools	% of all public schools	Charter schools	All public schools
Primary	6.3%	5.5%	60	337
Elementary	26.0%	48.9%	169	513
Middle	8.9%	14.3%	114	666
K-8	16.8%	4.3%	150	368
Middle-high	10.0%	6.0%	143	302
High	16.0%	15.1%	110	678
K-12	10.5%	3.0%	220	188
Other	3.4%	2.1%	165	357
Ungraded	2.1%	0.7%	98	72
Total # or median across all configurations	n = 380	n = 33,706	median = 143	median = 505

1 This figure relies on data from 380 charter schools. One charter school was excluded from this analysis because of missing enrollment information.

2 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey, 1994–95.

3 Grade levels are defined as follows: Primary includes only grades K–3; Elementary includes any of grades K–3 and any of grades 4–6; Middle includes any of grades 5–8 and no grades K–4 or 9–12; K–8 includes any of grades K–1 and any of grades 4–6 and any of grades 7–8 and no grades 9–12; Middle-High includes any of grades 6–8 and any of grades 9–12 and no grades K–5; High includes any of grades 9–12 and no grades K–8; K–12 includes any of grades K–3 and any of grades 4–6 and any of grades 7–8 and any of grades 9–12; Other includes all other grade-level breakdowns; Ungraded indicates no grade levels used at the school.

Exhibit 3-4 also shows the relationship between grade-level configuration and median student enrollment for charter schools and all public schools. At every grade level configuration except K–12 and ungraded, the median enrollment of charter schools is smaller than the median size of all public schools in the 16 charter states. The size difference is most striking at the traditional grade-level configurations. The median elementary charter school enrolls 169 students compared to the median of all public elementary schools with 513 students.

As shown in Exhibit C-3 in Appendix C, eight percent of charter high schools enroll more than 600 students, in contrast to 53 percent of all public high schools in the 16 charter states. Similarly, while more than 75 percent of the charter middle schools enroll fewer than 200 students, only about nine percent of all public middle schools in the sixteen charter states enroll fewer than 200 students. In our fieldwork, we found that many of the newly created charter high schools either were specialty high schools (focused on the arts, technology, school-to-work programs, etc.) or were designed to serve a particular population of students (e.g., dropouts, adjudicated students). The specialization in focus or population sets these schools apart from the typical large comprehensive public high school.

E. NEWLY CREATED VERSUS PRE-EXISTING CHARTER SCHOOLS

Exhibit 3-5 displays the proportions of newly created and pre-existing charter schools. We estimate that 62 percent of all charter schools are newly created schools, one-quarter were pre-existing public schools that converted to charter status, and the remaining 13 percent of charter schools were formerly private schools.

Schools that opened during the 1996–97 school year were more likely to be newly created than the schools that opened in earlier years—an estimated 68 percent of schools opening in 1996–97 were newly created, compared to 53 percent of schools that opened in the 1994–95 school year or earlier and 63 percent of schools that opened in the 1995–96 school year (see Exhibit 3-6).

EXHIBIT 3-5
ESTIMATED PERCENTAGE OF NEWLY CREATED AND PRE-EXISTING CHARTER SCHOOLS (1996–97)[1]

1 This figure relies on data from 381 charter schools.

EXHIBIT 3-6
ESTIMATED PERCENTAGE OF NEWLY CREATED AND PRE-EXISTING CHARTER SCHOOLS BY YEAR OF SCHOOL OPENING (1996–97)[1]

	Newly created	Pre-existing public	Pre-existing private	# of charter schools in sample
Opened 1994–95 or earlier	53.1%	42.9%	4.1%	98
Opened 1995–96	63.0%	21.0%	15.9%	138
Opened 1996–97	67.6%	15.2%	17.2%	145
# of charters schools in sample	237	93	51	381
% of charter schools in sample	62.2%	24.4%	13.4%	

1 This figure relies on data from 381 charter schools.

EXHIBIT 3-7
STATE-BY-STATE COMPARISON OF THE ESTIMATED PERCENTAGE OF NEWLY CREATED AND PRE-EXISTING CHARTER SCHOOLS (1996–97)[1]

State	# of schools in sample	% of schools that are newly created	% of schools that are pre-existing	Total # of pre-existing schools	Total # of pre-existing public	Total # of pre-existing private
California	100	54.0%	46.0%	46	46	NA
Arizona	92	64.1%	35.9%	33	12	21
Michigan	69	62.3%	37.7%	26	6	20
Colorado	31	87.1%	12.9%	4	3	1
Minnesota	19	34.2%	15.8%	3	2	1[2]
Massachusetts	17	88.2%	11.8%	2	2	NA
Texas	14	50.0%	50.0%	7	0	7
Wisconsin	10	40.0%	60.0%	6	5	1[3]
Georgia	9	NA	100.0%	9	9	NA
Florida	5	100.0%	0.0%	0	0	NA
New Mexico	4	NA	100.0%	4	4	NA
Louisiana	3	66.7%	33.3%	1	1	NA
Alaska	2	100.0%	0.0%	0	0	NA
Delaware	2	100.0%	0.0%	0	0	NA
DC	2	50.0%	50.0%	1	1	0
Hawaii	2	0.0%	100.0%	2	2	NA

1 This figure relies on data from 381 charter schools. NA indicates not allowed in the state.

2 One of the Minnesota schools responding to our survey was a pre-existing private school before converting to charter status. However, the Minnesota Attorney General has issued an opinion that casts doubt on whether other private schools can be permitted to convert unless the developers have first tried to establish a newly created charter school and have been denied.

3 This number represents the one charter school in the state allowed to convert from pre-existing private school status; Wisconsin allows pre-existing private schools to convert to charter status only in Milwaukee.

Changes over Time in Charter Type by State. The proportion of newly created and pre-existing schools in a state is partly determined by the terms of the charter legislation. Of the 16 charter states, two states (Georgia and New Mexico) only allow the conversion of pre-existing public schools to charter status.[9] Ten of the sixteen charter states (Alaska, California, Colorado, Delaware, Florida, Hawaii, Louisiana, Massachusetts, Minnesota, and Wisconsin) allow the conversation of pre-existing public schools and newly created schools. The remaining three states (Arizona, Michigan, and Texas) and the District of Columbia allow the conversion of both pre-existing public and pre-existing private schools and also allow newly created schools.

All schools in our sample that opened during the 1996–97 school year in five states (Alaska, Delaware, Florida, Massachusetts, and Minnesota) were newly created schools. Schools opening during or before the 1994–95 school year were more likely to have converted from public schools (43 percent) than those schools that opened in later years (22 percent during the 1995–96 school year and 15 percent during the 1996–97 school year).

Of the 144 pre-existing charter schools in our sample, more than one-third (49 schools) were private schools before they converted to charter status. Two states had the majority of private schools that converted to charter status: Arizona had 21 previously private schools while Michigan had 20 previously private charter schools. Although California has the largest number of pre-existing schools and represents 32 percent of all conversion schools, California legislation prohibits private-school conversion; therefore, none of the schools were previously private schools. Similarly, the two pre-existing charter schools in Massachusetts were originally public schools—the Massachusetts law also does not allow the conversion of private schools. Exhibit 3-7 contains a state-by-state breakdown of the estimated percentages of newly created and pre-existing charter schools. Among the states having at least nine charter schools, Massachusetts, Colorado, and Minnesota have the highest percentage (over 80 percent) of newly created schools.

Exhibit 3-8 compares the years in which charter schools opened in terms of the percentage of charter schools that are newly created in each state. The most notable changes in the proportion of new schools are in California and Michigan, where the proportion of newly created schools has continued to grow since the enactment of these states' charter legislation.

Change in Charter Type by School Size. As reported last year, the size of a school is strongly associated with its status prior to becoming a charter school. This is shown clearly by the median student enrollment for each of the three types of charter schools in our sample. The median size for newly created schools is the smallest of the three types of charter schools at 116 students. Pre-existing private schools have a median enrollment of 140 students. Pre-existing public schools are much larger than either of the other two types of schools, with a median enrollment of 383 students.

Exhibit 3-9 shows this finding in a slightly different way. The exhibit shows the enrollment in three categories: schools with fewer than 200 students, those with enrollments between 200 and 599 students, and those with 600 or more students. Almost three-quarters of newly

created charter schools in our sample enroll fewer than 200 students. These tendencies are also increasing over time: newer charter schools are more likely to be both small and newly created.[10] Converted private schools have size distributions similar to newly created charter schools. Conversely, pre-existing public schools vary more in size than other types of charter schools, but pre-existing public schools are much more likely to be large (enroll 600 or more students) than either newly created or pre-existing private schools.[11]

F. SUMMARY

Charter schools vary in size and grade level, and are often different from other public schools in these ways. The following points summarize findings from this chapter, which put this variation into perspective by comparing charter schools to all public schools in the 16 states where charter schools were operating in the 1997–98 school year.

- **Charter schools enroll only about 0.5 percent of public school students.** Charter school enrollment varies from less than one-tenth of one percent of the state's enrollment in Florida and Louisiana to more than two percent of the state's enrollment in Arizona.

EXHIBIT 3-8
ESTIMATED PERCENTAGE OF NEWLY CREATED CHARTER SCHOOLS BY YEAR OF SCHOOL OPENING AND STATE (1996–97)[1]

	Newly created schools in charter school sample					
	Opened 1994–95 or earlier		Opened 1995–96		Opened 1996–97	
State	Percent	Number	Percent	Number	Percent	Number
California	45.8%	27	63.0%	17	71.4%	10
Arizona	50.0%	1	67.5%	27	62.0%	31
Michigan	25.0%	1	47.2%	17	86.2%	25
Colorado	92.3%	12	90.0%	9	75.0%	6
Minnesota	76.9%	10	100.0%	4	100.0%	2
Massachusetts	NSO[2]	NSO	84.6%	11	100.0%	4
Texas	LNP[3]	LNP	LNP	LNP	50.0%	7
Wisconsin	33.3%	1	66.7%	2	25.0%	1
Georgia	NA	NA	NA	NA	NA	NA
Florida	LNP	LNP	LNP	LNP	100.0%	5
New Mexico	NA	NA	NA	NA	NA	NA
Louisiana	LNP	LNP	NSO	NSO	66.7%	2
Alaska	LNP	LNP	NSO	NSO	100.0%	2
Delaware	LNP	LNP	NSO	NSO	100.0%	2
DC	LNP	LNP	LNP	LNP	50.0%	1
Hawaii	NSO	NSO	NSO	0	NSO	NSO
All states	53.1%	52	63.0%	87	67.6%	98

1 This figure relies on data from 381 charter schools. NA indicates not allowed in the state.

2 NSO indicates that no newly created schools were opened in the state in that year.

3 LNP indicates that the state had not yet passed its charter legislation in that year.

- **Most charter schools are small.** More than 60 percent enroll fewer than 200 students, whereas about 16 percent of other public schools have fewer than 200 students. This finding holds for almost every grade level spanned, but the smaller size of charter schools is most striking at the high-school level. More than two-thirds of charter high schools enroll fewer than 200 students, in contrast to about one-quarter of other public secondary schools.
- **Many charter schools have nontraditional grade configurations.** Charter schools include a higher proportion of K–12, K–8, and ungraded schools than other public schools.
- **Most charter schools are newly created schools.** More than 60 percent of charter schools were created because of the charter opportunity; the remainder were pre-existing schools that converted to charter status.
- **About two-thirds of pre-existing charter schools were previously public schools.** Sixty-five percent of pre-existing schools were previously public schools. Private school conversions are allowed in only four of the 16 states.
- **Newly created charter schools tend to be smaller than converted schools.** Almost three-quarters of the newly created have fewer than 200 students, whereas about half of the pre-existing schools have fewer than 200 students.

School reformers have often called for small schools and newly created ones as ways to effect change and produce improved student learning. The most important aspect of the charter movement may be the development of small schools, regardless of the exact nature of their educational program. In Chapter 5 of this report, we examine the role that small school size may play in attracting parents and students to charter schools. As the charter movement matures, the Study will have an opportunity to gauge how distinctive small and

EXHIBIT 3-9
RELATIONSHIP BETWEEN SCHOOL SIZE AND CHARTER STATUS (1996–97)[1]

	Enrollment (read percentage across row)			# of charter schools in sample	% of charter schools in sample
	0-199	200-599	600+		
Newly created	70.0%	25.3%	4.6%	237	62.4%
Pre-existing public	39.1%	26.1%	34.8%	92	24.2%
Pre-existing private	76.5%	21.6%	2.0%	51	13.4%
# of charter schools in sample	241	95	44	380	—
% of charter schools in sample	63.4%	25.0%	11.6%	—	100.0%

1 This figure relies on data from 380 charter schools. One charter school was excluded from this analysis because of missing enrollment information.

newly created charter schools are in terms of the students they serve and the educational programs, governance personnel policies, and school operations.

1 That is, references to "states" should be taken to include the District of Columbia, unless explicitly indicated otherwise.

2 A number of charter states do not maintain accurate records of enrollments in charter schools. Consequently, there is currently no central source for accurate information on enrollment or the number of charter schools in operation across the country. The information from our telephone survey often provides the only practical source of enrollment data across the country. Subsequent footnotes will indicate when we use data for estimation purposes other than the responses to our yearly telephone surveys.

3 The rationale for choosing this method of comparison is discussed in detail in the First-Year Report. See U.S. Department of Education, Office of Educational Research and Improvement, *A Study of Charter Schools: First-Year Report, 1997*, May 1997.

4 If we were to exhibit all the analysis and comparisons in the text, the report might become too burdensome to read. Consequently, Appendix C contains tables showing state-by-state comparisons and other information. We will use footnotes to indicate differences in conclusions that might be drawn if we were to examine the state-by-state data instead of data drawn from the 16-state base.

5 As footnote 2 explained, there is no central source for enrollment data. Our telephone survey has a response rate of 89 percent, which is a high enough rate that most analyses reported in this document are reasonably accurate. However, for the purpose of estimated total charter school enrollment, we supplemented our telephone survey data with information from other sources. We drew on state sources in Colorado, California, and Massachusetts to include enrollment data for all missing schools in those states. For Michigan, Texas, Wisconsin, New Mexico, Georgia, Illinois, and one school in Arizona, we were able to obtain some missing data from the 1996–97 Common Core of Data. The resulting estimate cited above and the state-by-state estimates shown in Exhibit 3-1 show the results of this procedure. The statistics shown for charter schools in Exhibit 3-2 are based on the same estimation procedure. Thereafter, except in Exhibit C-1 of Appendix C, all estimates are based solely on the samples constructed from telephone survey data.

6 The state-by-state data presented in Exhibit C-1 of Appendix C show that for all states with a significant number of charter schools (more than nine), a much higher proportion of charter schools have fewer than 200 students than all public schools in those states. All charter schools in three states—Alaska, Florida, and Louisiana— and the District of Columbia have fewer than 200 students, although these figures represent only a few schools. California, with the most charter schools, also has the greatest variation in the size of its charter schools: about 40 percent of California charter schools are small, with the other half distributed almost evenly between medium and large schools. In other states, between 50 and 100 percent of charter schools enroll fewer than 200 students compared to other public schools. Georgia, with only 12 charter schools, is the only exception; nine Georgia charter schools (75 percent) are larger than 600 students.

7 Later exhibits refer to a median size of 143, which includes only those 381 charter schools in our sample. This median size includes estimated enrollment figures from sources other than the telephone survey.

8 The data from this and all subsequent analysis are based solely on samples constructed from the telephone survey data. Footnotes will indicate the size of the sample.

9 Wisconsin allows private school conversions only in the city of Milwaukee.

10 Where it is possible to examine enrollment over time, our data reveal that charter schools did not change their total enrollment within the period of one school year in any significant way. Small schools generally started small and remained that way. Newly created schools referred to difficulties with start-up and marketing in our initial telephone survey, but only two years' worth of data do not allow us conclude that many of these schools' small size stems from such difficulties. We will continue to monitor this issue over the life of the Study.

11 Exhibit C-4, Appendix C shows the percentage of schools that are newly created or pre-existing by school level. These data indicate that schools at all grade-level configurations are most likely to be newly created schools. Both pre-existing public and private schools (34 percent of all previously public schools and 29 percent of all previously private schools) are most likely to serve elementary students after their charter is granted.

IV. Students of Charter Schools

Charter schools are intended to be schools of choice, where parents are at liberty to select schools they feel are best suited to their children's needs. Also, charter developers are freed, subject to accountability for results, to create schools that meet the community's needs. Do these freedoms produce various forms of discrimination? Some observers fear that if charter schools were to act like private schools, selecting only certain students and rejecting others, they might evolve into "elite" public schools parallel to some "elite" private academies. Though all states prohibit discrimination based on race, ethnicity, and disability and prohibit charter schools from charging tuition or establishing a sectarian school, the following questions remain to be answered empirically: What kinds of students do charter schools actually serve? How inclusive are charter schools? How similar are their student bodies to those in other public schools? Is there systematic evidence that suggests that charter schools may be discriminating?

Chapter Highlights

- **We found no evidence to support the concern that charter schools as a group disproportionately serve White and economically advantaged students.**
- **Broadly speaking, charter schools mirror the racial distribution of students in all public schools.** About one-half of charter *and* all public schools serve predominantly White students, about one-quarter of charter *and* all public schools serve predominantly non-White students, and the remainder serve a diverse group of students.
- **Charter schools in some states clearly serve a higher proportion of students of color than other public schools, whereas in the remaining states charter schools serve a similar or somewhat higher proportion of White students.**
- **Our best estimate is that six out of ten charter schools are not racially distinct from their surrounding district.** About three out of ten are much more likely to enroll students of color than their surrounding district. Similar findings hold for low-income students.
- **The percentage of students with disabilities at charter schools (8 percent) is somewhat less than for all public schools (11 percent). The percentage of LEP students served in charter schools (13 percent) is about the same as in other public schools (12 percent).**

A. ARE CHARTER SCHOOLS SERVING RACIAL/ETHNIC MINORITIES?

1. Overall Pattern

Charter schools enroll a diverse population of students, as Exhibit 4-1 shows.[1] The first column of this table lists the five racial/ethnic categories used by the Census and an "other" category. The second and third columns, respectively, display the number of enrolled students in charter schools in 1996–97 and the number of students in all public schools in the 16 charter states in 1994–95. The number of charter school students is based on the charter schools that responded to our telephone survey and therefore reflects a sample of about 89 percent of the charter schools operational in the 1996–97 school year less the schools whose reports on racial/ethnic distribution were inconsistent with their enrollment figures.[2] The fourth and fifth columns, respectively, show the percentages that the student enrollment in a given racial category are of the total enrollment for the charter schools and

EXHIBIT 4-1
ESTIMATED PERCENTAGES OF ENROLLMENT IN CHARTER SCHOOLS (1996–97)[1] AND ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES (1994–95)[2] BY RACIAL/ETHNIC CATEGORY

	Students				Schools	
	# of all students		% of students		Average of % in racial category at each school	
Racial categories	# of students enrolled in charter school sample	# of students enrolled in all public schools in 16 charter states	% of students enrolled in charter school pre-existing	% of students enrolled in all public schools in 16 charter states	Charter schools in sample	Public schools in 16 charter states
White, not of Hispanic origin	48,817	10,932,484	52.0%	56.1%	58.1%	59.9%
Black, not of Hispanic origin	14,605	3,022,095	15.5%	15.5%	16.8%	14.6%
Hispanic	21,128	4,338,049	22.5%	22.3%	16.3%	19.5%
Asian or Pacific Islander	4,291	960,085	4.6%	4.9%	3.1%	3.9%
American Indian or Alaska Native	4,613	231,538	4.9%	1.2%	5.3%	2.1%
Other[3]	499	NA	0.5%	NA	0.4%	NA
Total[4]	93,953	19,484,251	93,953	19,484,251	368	33,526

1 The number of responding charter schools includes 368 open charter schools with valid racial data. By valid racial data, we mean that the number of students in the racial/ethnic categories was equal to the total student enrollment reported.

2 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey, 1994–95. For this figure and other figures about racial/ethnic breakdowns, all public schools refers to open public schools in the 16 charter states that reported student enrollment and where student enrollment matches the number of students in each of the five census categories.

3 The National Center for Education Statistics does not report an "other" racial category.

4 These totals differ somewhat from totals presented earlier. The charter school total relies on 368 open charter schools as indicated above, while other figures utilize different numbers of schools. The total for all public schools differs from that presented in Exhibit 3-1 because it relies on data from different sources and different school years and includes 33,526 cases, as indicated above.

all public schools in the 16 states that had operational charter schools in 1994–95 (which is the most recent year for which comprehensive racial/ethnic information was available). The data show that about half of charter school students (52 percent) are White, and that Hispanic students represent the largest minority group enrolled in charter schools. These percentages are similar to those in all the public schools in the 16 states. Columns six and seven use individual schools as the base for calculation and show the average across schools of the percentage of students in the different racial/ethnic categories for charter and public schools respectively. The school-level averages for charter schools are similar to those for public schools.[3]

2. State-by-State Comparison

State charter laws and other state conditions determine the framework within which charter schools arise and operate. A state-by-state breakdown of the school averages for the racial/ethnic categories therefore provides a useful representation of the variability across states in terms of demographic differences.[4] Exhibit 4-2 and the companion graphic show that the states differ greatly in the racial composition of both their charter and all public schools. Of the states with larger numbers of charter students or schools, California, Colorado, and Arizona have a somewhat higher average school percentage of White students in charter schools than in all public schools. Conversely, Michigan, Minnesota,

EXHIBIT 4-2 GRAPHIC
ESTIMATED AVERAGE SCHOOL PERCENTAGE OF WHITE STUDENT ENROLLMENT IN CHARTER (1996–97) AND ALL PUBLIC SCHOOLS IN SELECTED CHARTER STATES (1994–95)

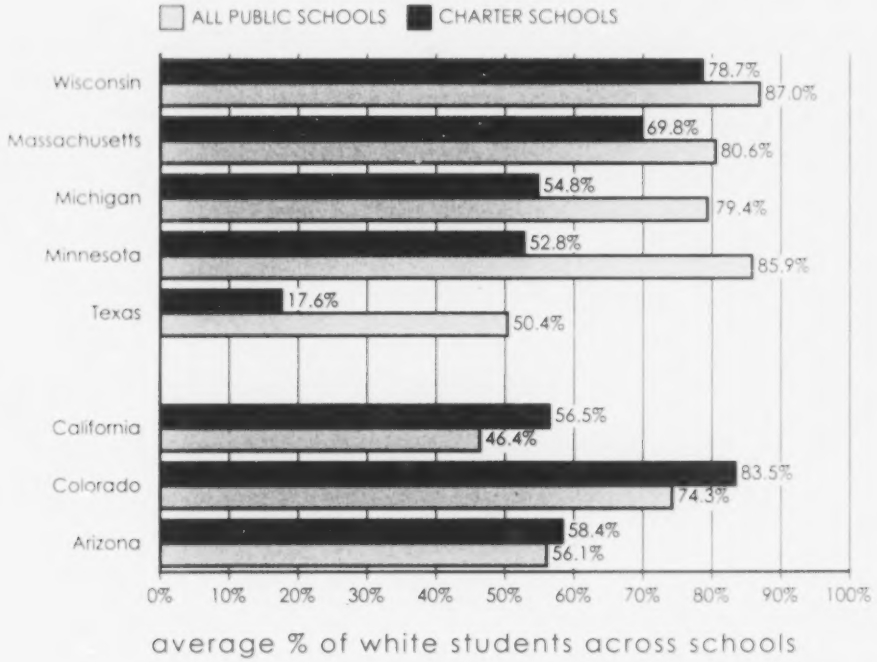


EXHIBIT 4-2
ESTIMATED AVERAGE OF SCHOOL RACIAL PERCENTAGES ACROSS CHARTER SCHOOLS (1996–97)[1] AND ALL PUBLIC SCHOOLS IN SIXTEEN CHARTER STATES (1994–95)[2]

		Average % enrollment in charter schools and in all public schools in the state						
State		Average % White	Average % Black	Average % Hispanic	Average % Asian or Pacific Islander	Average % American Indian or Alaska Native	Average % Other[3]	# of students[4]
California	charter	56.5%	9.6%	25.1%	5.5%	3.0%	0.3%	95
	state	46.4%	8.4%	34.1%	9.8%	1.4%	NA	7,821
Arizona	charter	58.4%	8.9%	19.4%	1.2%	12.0%	0.1%	88
	state	56.1%	4.0%	29.7%	1.4%	8.8%	NA	1,100
Michigan	charter	54.8%	35.2%	5.1%	1.0%	3.2%	0.6%	67
	state	79.4%	15.2%	2.7%	1.3%	1.3%	NA	3,423
Colorado	charter	83.5%	3.9%	8.4%	2.5%	1.7%	0.0%	30
	state	74.3%	4.3%	18.4%	1.9%	1.1%	NA	1,407
Minnesota	charter	52.8%	23.7%	2.3%	7.2%	13.9%	0.1%	19
	state	85.9%	5.6%	2.2%	3.4%	3.1%	NA	1,905
Massachusetts	charter	69.8%	10.7%	15.9%	2.4%	0.2%	0.9%	16
	state	80.6%	7.8%	8.0%	3.5%	0.2%	NA	1,764
Texas	charter	17.6%	27.0%	51.2%	3.2%	0.0%	1.1%	14
	state	50.4%	13.9%	33.9%	1.5%	0.3%	NA	6,477
Wisconsin	charter	78.7%	15.7%	3.3%	2.0%	0.2%	0.0%	10
	state	87.0%	6.8%	2.5%	2.3%	1.5%	NA	2,030
Georgia	charter	73.1%	21.9%	3.5%	1.2%	0.3%	0.0%	8
	state	57.5%	39.3%	1.9%	1.2%	0.1%	NA	1,766
Florida	charter	45.3%	51.5%	0.4%	2.8%	0.0%	0.0%	5
	state	58.6%	27.5%	12.4%	1.4%	0.2%	NA	2,708
New Mexico	charter	47.1%	3.0%	43.9%	2.2%	3.9%	0.0%	4
	state	38.5%	2.1%	47.7%	0.7%	11.1%	NA	710
Louisiana	charter	48.1%	46.1%	1.7%	0.0%	4.2%	0.0%	3
	state	51.2%	46.3%	1.0%	1.0%	0.6%	NA	1,459
Alaska	charter	80.6%	2.7%	2.7%	2.0%	12.0%	0.0%	2
	state	47.5%	2.5%	1.5%	2.3%	46.1%	NA	478
Delaware	charter	69.4%	25.4%	2.1%	3.1%	0.0%	0.0%	2
	state	63.4%	31.0%	3.8%	1.6%	0.2%	NA	182
District of Columbia	charter	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	2
	state	5.3%	86.8%	6.4%	1.4%	0.0%	NA	174
Hawaii	charter	26.0%	7.0%	10.9%	41.0%	1.0%	14.3%	2
	state	22.4%	1.7%	4.4%	71.3%	0.3%	NA	122

1 This exhibit relies on data from 368 open charter schools with valid racial data.

2 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey 1994–95.

3 The National Center for Education Statistics does not report an "other" racial category.

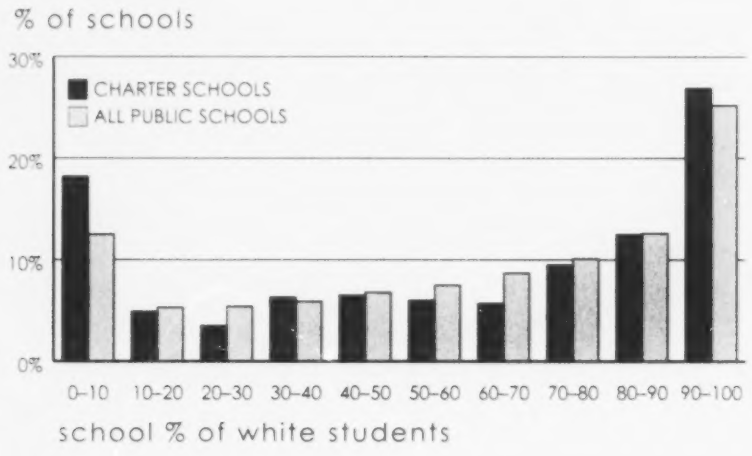
4 This table and subsequent tables have a triple line break between Wisconsin and Georgia to designate that the states below the triple line have so few charter states that the school averages may not be meaningful.

Texas, Massachusetts, and Wisconsin have a lower average percentage of White students in charter schools than in all public schools, with the first three states having a considerably lower average. These significant variations reflect differences across the states as to the emphasis placed in state charter laws as well as in informal policy on serving at-risk or low-income students. We will elaborate this point with additional data later in this chapter.

3. Racial/Ethnic Concentration

The above analysis deals with averages, but averages tell only part of the story of the racial composition of charter schools. Exhibit 4-3 shows the distribution of the school percentage of White students for charter schools and all public schools in the 16 states. The largest percentage of schools—whether charter or all public schools—serves mostly White students, and the next largest percentage serves predominantly non-White students. These data reflect segregated residential patterns in the country. In a broad sense, charter schools appear to mirror the racial/ethnic characteristics of all public schools. Insofar as these exhibits reveal a difference between charter and other public schools, a higher percentage of charter schools have primarily non-White student bodies. This finding is worth investigating in more detail.

EXHIBIT 4-3
DISTRIBUTION OF THE ESTIMATED SCHOOL PERCENTAGE OF WHITE STUDENTS FOR CHARTER SCHOOLS (1996–97)[1] AND ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES (1994–95)[2]



1 This exhibit draws on data from 368 open charter schools with valid racial data.

2 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey (1994–95). For this figure, all public schools refers to open public schools in the sixteen charter states which reported student enrollment and where student enrollment matched the count of students in each of the five census categories.

Exhibit 4-4 divides the distribution of the school percentages of White students into three categories of *racial/ethnic concentration:* predominantly non-White (the percentage of schools that have one-third or fewer White students), diverse (between one-third and two-thirds White students), and predominantly White (two-thirds or more White students). About one-half of charter and all public schools serve predominantly White students, about one-quarter of charter and all public schools serve predominantly non-White students,[5] while the remainder serve a diverse group of students. Though the overall distribution of racial concentration is about the same for charter schools and other public schools, a state-by-state analysis reveals substantial differences across states similar to the patterns discussed earlier for the average percentage of White students (see Exhibit 4-5).[6]

Whereas the earlier Exhibit 4-2 graphic illustrates state differences for the average percentage of White students, Exhibit 4-5 focuses on schools that predominantly serve students of color—that is, schools which serve at least two-thirds non-White students. This exhibit shows the percentage of schools that predominantly serve students of color for charter schools and all public schools in charter states that had at least eight charter schools operational in 1996-97.[7]

In summary, this evidence from the telephone survey provides an approximate answer to a broad question: From a state perspective, do charter schools differ from all public schools in their racial composition? Charter schools in Michigan, Minnesota, and Texas clearly serve a higher proportion of students of color than other public schools in the corresponding state. In the remaining states with at least ten charter schools, charter school enrollments are more or less similar to the racial composition for all public schools (within about ten percent).

EXHIBIT 4-4
ESTIMATED RACIAL CONCENTRATION OF CHARTER SCHOOLS (1996–97)[1]
COMPARED TO ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES (1994–95)[2]

Proportion of White students	# of charter schools in sample	% of all charter schools in sample	# of public schools in 16 states	# of all public schools in 16 states
0–1/3	102	27.7%	8,332	24.9%
1/3–2/3	77	20.9%	7,951	23.7%
2/3–1	189	51.4%	17,243	51.4%
Total	368	100.0%[3]	33,526	100.0%

1 This exhibit draws on data from 368 open charter schools with valid racial data.

2 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey, 1994–95.

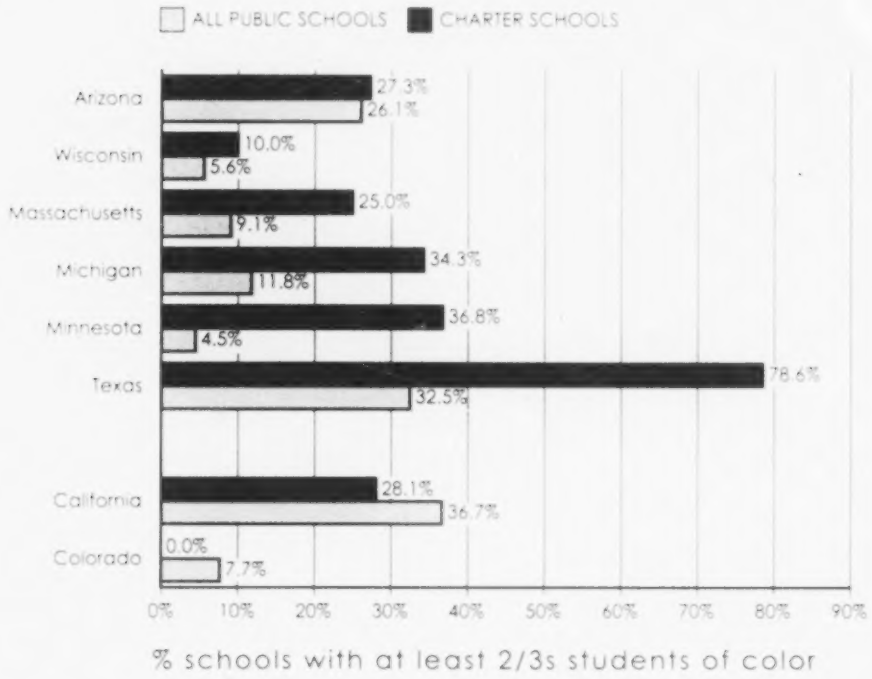
3 Generally speaking, the Report displays percentages or proportions rounded to one decimal place. When columns or rows of percentages or proportions are added, they might add to a number slightly different than 100 percent or one if these numbers were rounded to one decimal.

4. Are Charter Schools Racially Different from Their Districts?

The foregoing conclusion based on state-level comparisons begs two related questions: Is the racial concentration pattern of charter schools a product of the district (or districts) from which they draw students? Do charter schools reflect the district (or districts) in terms of racial concentration? These questions are hard to answer for several reasons.[5] Nonetheless, we can explore the extent to which the percentage of White students served by charter schools is similar to the surrounding district's average percentage of White student enrollment. Since accurate data on the percentage of charter school students that come from one or more districts is difficult to obtain, the following data must be treated as exploratory and subject to refinement.[6]

One way to compare the racial composition of charter schools to their districts is to ask: Can the percentage of White student enrollment at a school be predicted from the district's average percentage of White students? The graph in Exhibit 4-6 shows the results of this exploratory analysis. The horizontal axis is the average percentage of White students enrolled in each charter school's surrounding district. The vertical axis is the percentage of White students at each charter school. The solid line in the graph is a prediction line that

EXHIBIT 4-5
ESTIMATED CONCENTRATION OF STUDENTS BY RACE FOR CHARTER SCHOOLS (1996–97)[1] AND ALL PUBLIC SCHOOLS IN SELECTED CHARTER STATES (1994–95)[2]



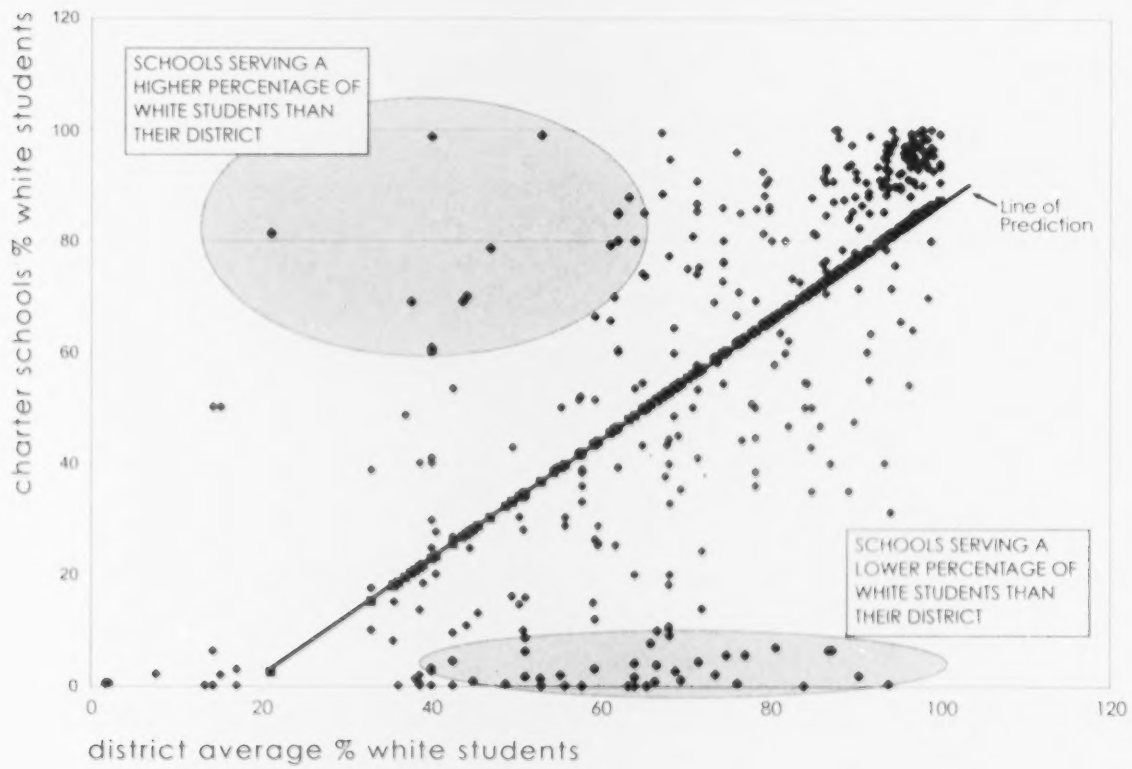
1 This exhibit draws on data from 368 open charter schools with valid racial data.

2 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey, 1994–95.

statistically predicts the percentage of White students at a charter school based only on the district's average percentage of White students. The small squares not falling on the prediction line stand for the actual percentage of White students for a charter school and the average percentage of White students in the corresponding district(s) for each charter school, while the squares falling along the prediction line are values resulting from the statistical prediction. If each charter school had exactly the same percentage of White students as the district, all of the small squares in the graph would fall on the prediction line and the prediction line would go though the points (0%, 0%) and (100%, 100%).

The graph implies that *generally speaking* charter schools tend to be like their districts in terms of the percentage of White students they serve—that is, the higher the district's percentage of White students, the higher the charter school's percentage of White students.[10] Thus, charter schools that serve higher percentages of White students tend to come from districts that serve high percentages of White students and charter schools that serve lower percentages of White students tend to come from districts that serve low percentages of White students.

EXHIBIT 4-6
CHARTER SCHOOLS VERSUS DISTRICT SCHOOLS' PERCENTAGE OF WHITE STUDENTS[1]



1 This exhibit draws on data from 349 open charter schools with valid racial data and where information on both the charter school and its comparison district percentage of White students is available. The regression line crosses the vertical axis at a number less than zero because a line through those points provides the best fit of the data. The regression coefficient is 1.08.

Though this finding is important in its own terms, the data suggest additional conclusions: Despite the overall correlation between charter school and district racial composition, a large number of charter schools have a smaller percentage of White students than one would predict solely on the basis of the district average. (See the circled values falling below the line of prediction at the lower middle to left end of the graph.) In other words, there are many charter schools that serve mostly non-White students in districts that serve mostly White students or have a diverse student body. We will return to this finding shortly.

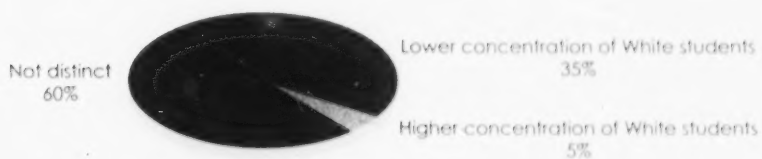
The graph also shows a small number of charter schools with a percentage of White students higher than the district's average. (See the circled values falling above the line of prediction at the upper left of the graph.) The relatively few schools that fall into this category do not reflect their surrounding district.

Defining Racially Distinct. Before drawing conclusions from these findings, we will examine the data in more depth. There are many ways to define whether a school's racial composition is different from its surrounding district (or districts). The way used here is to measure whether the charter school is *distinctly different* from the district, rather than marginally different. For these purposes, we define a charter school to be distinctly different

EXHIBIT 4-7
RACIAL DISTINCTIVENESS OF CHARTER SCHOOLS COMPARED TO SURROUNDING DISTRICTS (1996–97)

Racial distinctiveness	# of charter schools in sample	% of charter schools in sample
Not distinct from district [within 20% of district average]	209	59.9%
Higher percentage of White students than the district [>20% of district average]	16	4.6%
Lower percentage of White students than the district [<20% of district average]	124	35.5%
Total	349[1]	100.0%

1 This exhibit draws on data from 349 open charter schools with valid racial data and where information on both the charter school and its comparison district percentage of White students is available.



from its district if its percentage of White students is 20 percent greater than or 20 percent less than the average percentage of White students in the district.[11]

Exhibit 4-7 shows a table and a graphic depiction of the results of applying this measure of racial distinctiveness to the charter schools for which we have data.[12] The exhibit shows that 60 percent of the charter schools are not racially distinct from their surrounding district (in the sense that the school's percentage of White students is within 20 percent of the district's average percentage of White students). This is an important finding. Put another way, most charter schools are similar to their surrounding district with regard to the percentage of White students they enroll. This finding corresponds to the general statistical result discussed above—that the percentage of White students served by charter schools correlates with the district's average.

The exhibit shows another important finding. Thirty-six percent of charter schools serve a percentage of White students that is lower (by at least 20 percent) than their surrounding district. Said differently: About one in three charter schools serve a distinctively higher percentage of students of color than the district. Insofar as charter schools are racially distinctive from their surrounding districts, the evidence indicates that they are much more likely to enroll students of color.

The exhibits also show that only five percent of charter schools enroll a percentage of White students higher (by at least 20 percent) than the percentage of White students served by their surrounding district. This finding suggests a starting place to ascertain whether a small number of charter schools perhaps follow practices resulting in a disproportionately White student body.

Racial Concentration and Racial Distinctiveness. Exhibit 4-8 shows three tables comparing the racial distinctiveness of charter schools to their racial concentration. The tables are only different from one another in the way percentages are computed. The top table computes the percentages of the total number of charter schools in the sample for which we have data; table b computes the percentages of the total for each row; and table c computes the percentages for the sum of each column. The combination of looking at the same data in slightly different ways tells the following intriguing story:

(1) Almost half (46.1 percent) of charter schools serve predominantly White students *and* are not distinct from their district average (see Table a). Ninety-two percent of the schools that serve predominantly White students are not racially distinct from their districts (see Table b). In other words, the vast majority of primarily White schools have demographics similar to the district.

(2) About one in four charter schools (28.9 percent) serve primarily students of color (see Table c).[13] Of these charter schools, 80 percent are racially distinct from the district average and serve more than a 20 percent higher percentage of non-White students than the district average (see Table b). In other words, the large majority of charter schools that serve predominantly students of color are in districts that have a significantly lower percentage of students of color.

(3) Most charter schools (56.9 percent) serving a diverse student body are distinct from the district *and* serve a higher percentage of students of color than the district average (see Table b).

In summary, though this analysis is only exploratory, it tends to put to rest the fear that significant numbers of charter schools are exclusively White schools. On the contrary, there are a significant number of charter schools that serve more students of color than one would have predicted if they were similar to their districts.

EXHIBIT 4-8
RACIAL DISTINCTIVENESS VERSUS RACIAL CONCENTRATION OF CHARTER SCHOOLS[1]

A. PERCENTAGE OF ALL CHARTER SCHOOLS IN SAMPLE

Proportion of White students	Not distinct from district [within 20% of district average]	Higher % White students [>20% of district average]	Lower % White students [<20% of district average]	# of schools in sample
<1/3	5.7%	0.0%	23.2%	101
1/3–2/3	8.0%	0.9%	11.7%	72
>2/3	46.1%	3.7%	0.6%	176
# of schools	209	16	124	349

B. PERCENTAGE OF PROPORTION OF WHITE STUDENTS (READ PERCENTAGE ACROSS ROW)

Proportion of White students	Not distinct from district [within 20% of district average]	Higher % White students [>20% of district average]	Lower % White students [<20% of district average]
<1/3	19.8%	0.0%	80.2%
1/3–2/3	38.9%	4.2%	56.9%
>2/3	91.5%	7.4%	1.1%
% Distinct	59.9%	4.6%	35.5%

C. PERCENTAGE OF DISTINCTIVENESS FROM DISTRICT (READ PERCENTAGE DOWN COLUMN)

Proportion of White students	Not distinct from district [within 20% of district average]	Higher % White students [>20% of district average]	Lower % White students [<20% of district average]	% Racial concentration across all charter schools
<1/3	9.6%	0.0%	65.3%	28.9%
1/3–2/3	13.4%	18.8%	33.1%	20.6%
>2/3	77.0%	81.3%	1.6%	50.4%

1 This exhibit draws on data from 349 open charter schools with valid racial and enrollment data and where information on both the charter school and its comparison district percentage of White students is available.

B. ARE CHARTER SCHOOLS SERVING ECONOMICALLY DISADVANTAGED STUDENTS?

The findings suggest that charter schools as a group do not serve White students primarily or disproportionately, but they do not address the question: Do charter schools tend to serve economically advantaged students more than other public schools? The following discussion addresses this issue.

EXHIBIT 4-9
ESTIMATED PERCENTAGE OF STUDENTS ELIGIBLE FOR FREE AND REDUCED-PRICE LUNCH IN CHARTER SCHOOLS (1996–97) AND ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES (1994–95)

	Students eligible for free and reduced-price lunch			
	Charter schools		All public schools	
State	# of students	% of students[1]	# of students	% of students[2]
California	15,620	37.1%	2,257,008	43.7%
Arizona	6,877	42.2%	284,357	40.1%
Michigan	3,109	30.3%	459,747	29.0%
Colorado	1,227	19.1%	174,023	27.4%
Minnesota	1,107	51.7%	217,375	27.4%
Massachusetts	1,433	36.0%	225,110	26.2%
Texas	1,379	60.9%	1,662,900	45.9%
Wisconsin	168	16.1%	210,011	24.7%
Georgia	1,899	27.9%	501,824	39.7%
Florida	285	63.9%	895,510	43.3%
New Mexico	1,179	31.9%	159,740	49.8%
Louisiana	231	82.2%	474,608	61.4%
Alaska	5	5.5%	32,340	26.5%
Delaware	15	5.2%	33,738	34.2%
District of Columbia	100	57.5%	48,370	62.3%
Hawaii	127	15.3%	48,661	26.5%
Total[3]	34,761	35.8%	7,685,322	40.2%

1 The percentage of charter school students eligible for free and reduced-price lunch is computed by dividing the number of eligible students by the total number of enrolled students. This figure relies on information from 319 open charter schools that reported information on free and reduced-price lunch.

2 The percentage of students in all public schools eligible for free and reduced-price lunch was computed using two sources. Eligibility counts by state were provided by the U.S. Department of Agriculture, Food, Nutrition, and Consumer Services, Program Information Division, for the 1993–94 school year. Total student counts were derived from the U.S. Department of Education, National Center for Education Statistics 1994–95 Common Core of Data Survey, including students from schools which were open and where student enrollment was reported. For each state, the total number of eligible students was divided by total number of students to develop a percentage of students eligible for free and reduced-price lunch.

3 In interpreting the meaning of the figures in the Total row, it is important to realize that California has the largest number of students in charter schools, representing almost half (46 percent) of all charter school students for the time period shown in the table. California also accounts for about 45 percent of all charter school students eligible for free and reduced-price lunch, but the state represents less than thirty percent of the students in public schools in the 16 charter states. These figures imply that the total percent of charter school students eligible for free and reduced-price lunch is positively affected by the California numbers and the total percent of eligible public school students is influenced by the California numbers to a lesser degree.

Eligibility for Free or Reduced-Price Lunch

One gauge of economic disadvantage is a student's eligibility for free or reduced-price lunch under the National School Lunch Program.[14] Charter schools reported that 36 percent of their enrolled students were eligible, very similar to the 40 percent of all students eligible for the program in the 16 charter school states. Exhibit 4-9 shows that in charter schools, the percentage of eligible students ranges from about five percent in Alaska and Delaware to a high of 82 percent in Louisiana. Of the larger charter states, those that have high percentages of eligible charter school students compared to all public school students in their state are Massachusetts, Minnesota, and Texas. The percentages of eligible students in Arizona and Michigan are about the same for charter schools as for all public schools, whereas charter schools in California, Colorado and Wisconsin have slightly lower percentages of eligible students.

These data should be interpreted with caution for two reasons. First, fewer charter schools reported information on free and reduced-price lunch than on other survey questions used for earlier analyses (84 percent of schools in the 89 percent sample responded to the free and reduced-price lunch question). Moreover, there is variation across the sixteen charter states in the degree to which response patterns influence the total percentages of eligible students. California has the largest number of students in charter schools, and also the largest number of students eligible for free and reduced-price lunch. However, the state represents less than thirty percent of the students in public schools in the sixteen charter states. The total percent of charter school students eligible for free and reduced-price lunch is positively affected by the California numbers and the total percent of eligible public school students is influenced by the California numbers to a lesser degree.

Given these reservations regarding the data and how they should be interpreted, we wanted to look beyond the broad state level patterns to understand whether charter schools disproportionately serve more economically advantaged students compared to other public schools. Though the data are not as complete as the data presented on racial concentration, we can provide an exploratory analysis that addresses the question: Do charter schools tend to serve students that are economically more advantaged, using eligibility for free and reduced-price lunch as a surrogate measure of economic disadvantage?

Concentration of Economically Disadvantaged Students. To investigate the concentration of economically disadvantaged students served by charter schools, we divided the distributions of the percentage of students eligible for free and reduced-price lunch into thirds, as we did previously for racial concentration. Exhibit 4-10 shows that about half of charter schools are schools in which fewer than one-third of the students are eligible for free and reduced-price lunch. Almost a third of the schools are schools in which more than two-thirds of the students come from poor backgrounds. Since 16 percent of the responding charter schools did not answer this question, these estimates of concentration are less accurate than the estimates for racial concentration.

Charter Schools Compared to Their Districts. We were able to obtain district-level data on the eligibility of students for free and reduced-lunch only for a limited sample of school districts in which charter schools were located.[15] We therefore can make comparisons of charter schools to surrounding districts for 225 of the 381 charter schools.[16] Since this constitutes less than 60 percent of the responding charter schools, we caution the reader that the statistics are subject to substantial errors and that the analyses must be treated as indicative only.[17]

EXHIBIT 4-10
ESTIMATED CONCENTRATION OF STUDENTS ELIGIBLE FOR FREE AND REDUCED-PRICE LUNCH IN CHARTER SCHOOLS (1996–97)

Proportion of students eligible for free and reduced-price lunch	# of charter schools in sample	% of charter schools in sample
<1/3	165	51.7%
1/3–2/3	60	18.8%
>2/3	94	29.5%
Total	319	100.0%

EXHIBIT 4-11
ESTIMATED PERCENTAGE OF CHARTER SCHOOLS (1996–97) COMPARED TO THE AVERAGE OF THE SURROUNDING DISTRICTS' PERCENTAGE OF STUDENTS ELIGIBLE FOR FREE AND REDUCED-PRICE LUNCH

Similar to our analysis for racial composition, we defined a charter school as distinct from its surrounding district if its percentage of students eligible for free and reduced-price lunch is 20 percent more or less than the district average. Exhibit 4-11 shows the following results: About half of the 225 charter schools are not distinct from their surrounding districts,

EXHIBIT 4-12
ESTIMATED CONCENTRATION OF STUDENTS RECEIVING FREE AND REDUCED-PRICE LUNCH IN CHARTER SCHOOLS (1996–97) COMPARED TO SURROUNDING DISTRICTS (1993-94)[1]

A. PERCENTAGE OF ALL CHARTER SCHOOLS IN SAMPLE

Proportion of FRL students	Not distinct from district [within 20% of district average]	Higher % FRL students than district [>20% of district average]	Lower % FRL students than district [<20% of district average]	% of all schools	# of schools
<1/3	23.6%	0.0%	23.1%	46.7%[2]	105
1/3–2/3	15.6%	1.8%	2.2%	19.6%	44
>2/3	11.6%	21.3%	0.9%	33.8%	76
# schools	114	52	59	100.0%	225

B. PERCENTAGE OF PROPORTION OF LOW-INCOME STUDENTS (READ PERCENTAGE ACROSS ROW)

Proportion of FRL students	Not distinct from district [within 20% of district average]	Higher % FRL students than district [>20% of district average]	Lower % FRL students than district [<20% of district average]
<1/3	50.5%	0.0%	49.5%
1/3–2/3	79.5%	9.1%	11.4%
>2/3	34.2%	63.2%	2.6%
% distinct	50.7%	23.1%	26.2%

C. PERCENTAGE OF DISTINCTIVENESS FROM DISTRICT (READ PERCENTAGE DOWN COLUMN)

Proportion of FRL students	Not distinct from district [within 20% of district average]	Higher % FRL students than district [>20% of district average]	Lower % FRL students than district [<20% of district average]	% FRL across all schools
<1/3	46.5%	0.0%	88.1%	46.7%
1/3–2/3	30.7%	7.7%	8.5%	19.6%
>2/3	22.8%	92.3%	3.4%	33.8%

1 This exhibit draws on 1996–97 data from open charter schools where both school and district information on free and reduced-price lunch is available. Data for the majority of comparison districts was derived from district–level reports of free and reduced-price lunch information as reported by the National Center for Education Statistics, 1993–94 Schools and Staffing Survey Teacher Demand and Shortage Questionnaire for Public School Districts. Where charter schools draw students from more than one district, free and reduced-price lunch data were averaged across the relevant districts. Complete data were unavailable because SASS includes a sample of school districts, rather than the population of districts. For two additional states (AZ and MA), we were able to obtain supplemental 1996–97 data from state sources.

2 These proportions of students eligible for free and reduced-price lunch differ from those reported in Exhibit 4-11 because fewer schools are included. Only those open charter schools where both school and district information on free and reduced-price lunch is available were used in this analysis.

one-quarter serve a distinctively higher proportion of low-income students compared to the district, and one-quarter serve a distinctively lower proportion of low-income students.

We next explore the relationship between the concentration of low-income children and the distinctiveness of the charter school from the district. Exhibit 4-12 shows the following results:

(1) Of the 34 percent of charter schools that serve predominantly low-income children, two out of three (63 percent) serve a distinctively higher percentage of poor children than their district average. Most (34 percent) of the other such schools are not distinct from their districts (see Table b). Three percent serve a distinctively lower percentage of poor children than their district average.

(2) In contrast, about half the charter schools serve primarily students who are not low-income. Fifty-one percent of these schools are similar to their district in terms of the percentage of economically disadvantaged students (see Table b). Half (50 percent) of charter schools that primarily serve students who are not low-income have a significantly lower percentage of poor students than the district average. These schools may bear further investigation.

(3) Most charter schools serving between one-third and two-thirds low-income children are not distinct from their districts (80 percent, see Table b). Nine percent of such schools serve a distinctively higher proportion of low-income students, while eleven percent serve a distinctively lower proportion of low-income students.

The next section uses qualitative information from our fieldwork to explore these findings further.

C. CHARTER SCHOOLS THAT SERVE A PARTICULAR POPULATION OF STUDENTS

In addition to the findings discussed above, the survey data show that *almost all the children* in a significant number of charter schools are minorities, economically disadvantaged, or students with disabilities. We estimate that approximately one-fifth of charter schools may serve such a particular student population. At least 32 charter schools serve more than two-thirds African-American students, 13 serve more than two-thirds Native American children, 22 have more than two-thirds Hispanic students, and eight serve more than 50 percent students with disabilities.

Such concentrations are not accidental. Many charter schools have been founded specifically to meet the needs of a particular population of children. In the telephone survey, we asked charter schools to tell us why their school was founded, and then we asked them to tell us their most important reason. The second most cited reason was to serve a special population of students. Sixty charter schools (17 percent) stated this was their most important motivation for starting a charter school.

Information that we gathered from the 91 sites we visited provides a deeper understanding of schools that serve special populations.[18] About one-third of the fieldwork schools serve

almost exclusively either a particular racial/ethnic group, students with disabilities, or at-risk students and dropouts.[19] Many of these schools, but not all, *target* particular populations and have designed programs that charter developers believe will address the challenges posed by working with that group of students. The following sections provide examples from our fieldwork of such schools.

1. Schools That Serve One Racial/Ethnic Group

Some charter schools serve one particular racial/ethnic group because they are in a district that primarily serves that group (that is, they are not racially distinct from their districts). This situation is certainly true for the majority of predominantly White schools that are located in predominantly White districts. It also holds for other racial groups.

Predominantly African-American Schools. Of the 32 charter schools that have at least two-thirds African-American students, one-quarter are in districts that have an average of at least two-thirds non-White students. The following school from our fieldwork sample illustrates a case of a charter school that is 100 percent African American and is in a district where the student population is more than 80 percent non-White:

> The pre-kindergarten through 12th grade school, located in a mixed-income residential neighborhood in a large metropolitan district, enrolls almost 200 students. Forty percent of these students are eligible for free and reduced-price lunch. The school represents the merging of two independent private schools—an elementary/middle school and a high school—which had been created to address some of the academic, cultural, and political gaps in the education of children from the African-American community. Each school was the product of activist teachers and parents who wanted their children educated within a more culturally appropriate setting than public, private or parochial schools offered at the time. The schools were founded during the mid-1970s and merged under a charter in 1995 into one school in order to offer the specialized educational programs to other students in the community who were unable to afford the tuition at the private schools. The high school is a college preparatory academy that was developed to receive students from the elementary school.
>
> The school's educational program is built on seven principles, including unity, self-determination, collective work and responsibility, cooperative economics, purpose, creativity, and faith. The underlying premise of the school is the belief that building a strong Afrocentric identity will give the youth the power and strength to succeed in life. The school is organized into three divisions, each covering multiple grades; students are assigned to divisions rather than to traditional grades. The school organizes students into cross-age groupings based on achievement level, interests, and social maturity. Students take placement tests at the beginning of each semester and a plan of study is developed for each student based on those plans along with teacher, student, and parent input.

> Within the groupings, teachers introduce basic or extended concepts and encourage students to explore those concepts more deeply through the completion of projects, participation in debates, and making presentations to their peers. The school has a strong focus on monitoring their progress toward student achievement goals. Student growth is measured through teacher observation of the level of originality and quality of student work, and through demonstrated mastery of subject matter based on examinations, demonstrations, and contents of student portfolios. Students are also assessed using the state achievement test, and two additional standardized tests. The school analyzes data from all sources to make decisions on ways to improve the school's educational programs. The school offers summer programs, after-school care, and literacy and other education programs for parents and the wider community.

In this case, both the school and the surrounding district are primarily African American. However, approximately 40 percent of charter schools that enroll predominantly African-American students (greater than 50 percent) are in districts where the average White enrollment is more than 50 percent, including three all African-American schools in districts that average more than 60 percent White students, making these schools racially distinct from their districts. Since they are publicly funded schools, they are open to all students, but the educational programs in these and other charter schools have been developed for a particular racial/ethnic group.

Predominantly Native American Schools. We focus here on one of the 13 charter schools that serve more than 50 percent Native American students. The following example is of a newly created charter school that began operation to serve Native American students living on a reservation. Its students are essentially all Native Americans, while the district in which the school is located has an average White student enrollment of 60 percent.

> The small, rural K–12 school is located on a reservation. Several community members founded the charter school because of their concerns about the negative outcomes experienced by Native American students in other schools in the district. These problems included high suspension and dropout rates and the over-representation of Native American students in special education programs. The charter founders believed that a new school could develop a program that built on the students' culture and language and address a complex of neglected issues for this population. For example, the school offers community-based services and publicly funded treatment programs that young people had been unable to get because they were unavailable on the reservation.
>
> The school enrolls about 50 students, 92 percent of whom are Native American and 44 percent of whom are eligible to receive special education services. The director reported that what is important about the school are the "human relationships" that are developed between the students and teachers. The school focuses on assessing the strengths of each student and building an individual educational experience around the abilities of each student to allow and encourage student

success. The resulting educational program is one that emphasizes flexibility in response to students' interests and needs.

Predominantly White Schools That Have a Distinctively Higher Proportion of White Students than the District. Our final examples in this section concern schools that have predominantly White students within a district where the average percentage of White students is lower by 20 percent or more. Our earlier analysis located only 16 charter schools (four percent of the charter schools where both school and corresponding district information on ethnicity was available) that serve 20 percent higher percentage of White students than the district. In the fieldwork sample, we had five such cases out of 70 sites (seven percent). None of these sites show any signs of a deliberate selection of White students or a restriction against non-White students, as the following synopses illustrate:

> One charter school is located in a small district that includes several small towns and many rural areas. The school is located in a rural area surrounded by isolated, rolling hills, and wooded property. The school, which enrolls fewer than 200 students, is both an alternative school and an institutional support for families who are home-schooling their children. The alternative high school was formerly a regular district school and is designed to meet the needs of students who have not succeeded in the regular high-school program. The alternative school program provides both classes in the core curriculum—mathematics, English, and history—as well as elective courses. Classes are small—12 to 15 students—and faculty seek to create an educational environment that is both relevant to the needs of students and engages them in the educational process.
>
> The school also supports parents who are home-schooling their children. School staff—primarily part-time employees—meet approximately weekly with parents and students in their homes. The staff give support to parents who are creating educational experiences at home. The school has a curriculum library and materials including mathematics manipulatives, computer programs, textbooks, and resource materials that are available to parents. Some of the high school-aged, home-schooled students attend classes on site with the students at the alternative school. Home-schooling parents and students in the alternative program report that they are attracted by the individualized attention for students.
>
> The home school draws students from the entire district, but the alternative program draws primarily from the nearby rural and remote areas of the district, which are primarily White. The percentage of White students is much higher at the charter school than in the surrounding district—99 percent of students at the charter school are White compared to 67 percent of students in the district. School staff reports that the home-schooled population in the district has traditionally been White.

Another example illustrates a different type of education program that draws predominantly White students.

One charter school was previously a private Montessori School that converted to charter status. It is located in a district where the population is almost 60 percent White and the school population is 85 percent White. The school, which enrolls more than 250 students in grades pre-kindergarten through eight, converted to charter status in part to provide a Montessori education to students who were unable to afford tuition at the private school. The director also reported that the school converted to charter status in order to accommodate students from the surrounding neighborhood. Although the school staff reports that the school population is more diverse than before conversion, the school retained most of the students who were enrolled prior to its conversion to charter status. The school does not attempt to enroll particular groups of students, but because it is a Montessori school, it does try to enroll parents who believe in the Montessori philosophy.

The school's curriculum and instruction vary significantly from a conventional school, although they are representative of other Montessori schools. Students are given a contract of work they need to accomplish, but are free to work at their own pace. Much of the instruction is either individualized or in small groups. Class sizes are small, with the goal being no more than 20 students per class. In the middle grades, students spend their morning doing individual work, while the afternoon is reserved for group work. Their curriculum is integrated and focuses on the natural, social, and physical worlds.

The examples in this section shed some light on charter schools that serve a particular racial group, whether or not they are distinctive from their district. We see that the cases vary from charter schools where the students mirror the racial category of the district to sites where charter developers design their program with a particular racial/ethnic group in mind. In the latter case, charter developers clearly believe they are providing an educational program and other services that their students were not able to get from the public school district.

2. Schools That Serve Predominantly LEP Students

Exhibit 4-13 shows a state-by-state breakdown of the percentage of students with limited proficiency in English (LEP) in charter schools compared to other public schools. The last row of the table shows the total number and percentage of LEP students by state. In general, we estimate that the percentage of LEP students served in charter schools (12.7 percent) is about the same as in other public schools (11.5 percent).

On a state-by-state basis, there is a wide variation in the percentage of LEP students in charter schools compared to public schools. Of the states with a significant number of charter school students, California has the highest percentage of LEP students (20.7 percent), which is about the same percentage of LEP students as in the state's public schools (23.6 percent). The overall averages reflect the large number of charter and other public school LEP students in California, which boost the national totals significantly. Sixty percent of

charter schools have no LEP students, and about 85 percent have less than ten percent LEP students. But six percent of charter schools serve more than one-half LEP students. Many such schools are in districts that have a large non-White population that is not necessarily the same as the racial/ethnic group represented among LEP students. In the example below, the charter school enrollment is predominantly LEP students; the surrounding district has an average of over 80 percent non-White students, the large majority of whom are African American:

> This newly created urban middle school, located in an industrial area of a large city, enrolls students in grades 6, 7, and 8. The school attracts students from a nearby elementary school that serves a primarily Hispanic population. One-hundred

EXHIBIT 4-13
ESTIMATED PERCENTAGE OF LEP STUDENTS IN CHARTER SCHOOLS (1996–97)[1]
AND IN ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES (1994–95)[2]

	LEP students of statewide enrollment			
	Charter schools		All public schools	
State	# of students	% of students	# of students	% of students
California	8,702	20.7%	1,262,982	23.6%
Arizona	1,732	10.6%	98,128	13.3%
Michigan	268	2.6%	47,123	3.0%
Colorado	59	0.9%	26,765	4.2%
Minnesota	186	8.7%	21,738	2.7%
Massachusetts	312	7.8%	44,211	4.9%
Texas	247	10.9%	454,883	12.6%
Wisconsin	1	0.1%	20,541	2.4%
Georgia	115	1.7%	12,726	1.0%
Florida	1	0.2%	153,841	6.4%
New Mexico	634	17.1%	80,850	24.9%
Louisiana	0	0%	6,336	0.8%
Alaska	3	3.3%	29,929	24.0%
Delaware	0	0%	1,684	1.6%
District of Columbia	71	40.8%	5,151	6.4%
Hawaii	28	3.4%	12,186	6.7%
Total[3]	12,359	12.7%	2,279,074	11.5%

1 This exhibit draws on data from 373 open charter schools which report information on Limited English Proficiency. The percentage of Limited English Proficient charter school students is computed by dividing the count of LEP students by the total number of enrolled students.

2 Source: Office of Bilingual Education and Minority Languages Affairs, Summary Report of the Survey of the States' Limited English Proficient Students and Available Educational Programs and Services 1994–1995. Washington, DC: U.S. Department of Education, 1996.

3 In interpreting the meaning of the figures in the Total row, it is important to realize that California has the largest number of students in charter schools, representing almost half (46 percent) of all charter school students for the time period shown in the table. California also accounts for about 70 percent of all LEP charter school students, while the state represents 55 percent of the LEP students in public schools in the 16 charter states. These figures imply that the total percent of LEP charter school students is positively affected by the California numbers and the total percent of LEP public school students is influenced by the California numbers to a lesser degree.

percent of the school's students are Hispanic, 70 percent have limited proficiency in English, and all of the students are eligible for free and reduced-price lunch. The school was founded out of the concern of parents and teachers at the elementary school who were worried about children transitioning between the small, familial elementary school to one of two large junior high schools in the district that offered few services to language minority students. Some of the school's approximately 150 students are recent immigrants to the United States and need further support in their native Spanish language.

The smallness of the school creates a sense of community that binds teachers, students, and parents at this charter school. There is general agreement among all that the school has succeeded in creating an environment where students feel safe, faculty and staff care, and parents are welcomed. The school provides opportunities for parent involvement both in support of student learning and in school governance. Parents report that the school's small class sizes help students master English as well as academic content. The school's educational program draws on the district curriculum, builds on the cultures of the students and families, and seeks to prepare students for high school. The school has experienced turnover in both its teaching staff and its administrative staff but maintains its vision of providing an appropriate educational experience for its students.

3. Schools Designed to Serve Students with Disabilities

The cases described above concern particular racial/ethnic or language groups, but charter schools are also founded to serve special populations defined in other terms. In particular, some charter schools target students with disabilities. Exhibit 4-14 shows a state-by-state display of the reported percentage of students with disabilities at charter schools compared to all public schools. In three of the 16 states, charter schools had a higher proportion of students with disabilities than all public schools, while in the remaining states, the opposite was true.

Eleven schools from the telephone survey reported that over one-half of their students have disabilities. The following two fieldwork sites illustrate this type of charter school. One school aims to serve students who have weak reading skills, many of whom have been identified as students with disabilities.

One formerly public kindergarten through eighth grade charter school targets students who are weak readers. Slightly more than one-half of the school's 175 students qualify for special education services and have current Individualized Educational Plans (IEPs). (The district average of students eligible for special education services is 13 percent.) The majority of the charter school students also are eligible for free and reduced-priced lunch and about 60 percent of the students are African American. Parents reported enrolling their children in the school because of their reading deficits. This is consistent with the school's vision, which is dedicated to the education of children with readiness skill deficits, including:

developmental delays, reading difficulties, and various forms of learning disabilities. Staff at the school believe that one should first try to assist a person to accommodate to the environment, but if that should fail, the environment should be changed to meet the individual's needs. This philosophy has encouraged teachers at other schools in the surrounding district to refer parents whose children have similar reading disabilities.

EXHIBIT 4-14
ESTIMATED PERCENTAGE OF STUDENTS WITH DISABILITIES IN CHARTER SCHOOLS (1996–97)[1] AND ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES (1995–96)[2]

	Students with disabilities			
	Charter schools		All public schools	
State	# of students	% of students	# of students	% of students
California	2,680	6.4%	510,875	9.9%
Arizona	1,428	8.8%	68,228	9.6%
Michigan	530	5.2%	170,527	10.8%
Colorado	497	7.7%	62,697	9.9%
Minnesota[3]	590	27.5%	87,530	11.0%
Massachusetts	366	9.2%	142,955	16.6%
Texas	85	3.8%	409,281	11.3%
Wisconsin	90	8.6%	92,868	10.9%
Georgia	398	5.9%	121,728	9.6%
Florida	49	11.0%	283,104	13.7%
New Mexico[4]	1,056	28.5%	43,015	13.4%
Louisiana	10	3.6%	81,471	10.5%
Alaska	6	6.6%	15,589	12.8%
Delaware	18	6.2%	13,719	6.8%
District of Columbia[5]	53	30.5%	6,671	17.7%
Hawaii	60	7.2%	14,723	8.0%
Total[6]	7,916	8.1%	2,124,981	11.1%

1 This exhibit draws on data from 357 open charter schools which reported information on students with disabilities.

2 The percent of students served in all public schools in the sixteen charter states was computed using two sources. The source for the number of students served under IDEA was: Nineteenth Annual Report to Congress of the Implementation of the Individuals with Disabilities Education Act, U.S. Department of Education, October 1997. The source for the denominator (enrollment in the sixteen charter states) was U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey, 1994–95. Total student enrollment included students in open public schools which reported student membership.

3 Many Minnesota charter schools were designed to serve at-risk students and students with disabilities. Their founders sought to provide opportunities to students who were not necessarily being well-served by the traditional public schools. Two of the largest Minnesota schools were specifically designed to serve students with disabilities.

4 New Mexico data reflect only four charter schools; the number of schools is too small to draw any conclusions from the higher percentage of students with disabilities in charter schools compared to other public schools.

5 The District of Columbia data reflect only two charter schools; the number of schools is too small to draw any conclusions from the higher percentage of students with disabilities in charter schools compared to other public schools.

6 In interpreting the meaning of the figures in the Total row, it is important to realize that California has the largest number of students in charter schools, representing almost half (46 percent) of all charter school students for the time period shown in the table. California also accounts for one-third of all charter school students with disabilities, but the state represents less than one-quarter of the students in public schools in the 16 charter states. These figures imply that the total percent of charter school students with disabilities is negatively affected by the low percentage in California of charter school students with disabilities.

> The school's educational program focuses on the neurological aspects of reading disabilities, provides small-group instruction, and has a combined phonics and whole-language approach. Teachers report that the curriculum is teacher-generated to meet the needs of the students. The average class size is 22 students, with two adults per classroom, but the flexible grouping at the school means that teachers may have the same students over a three-year period. Students appreciate the fact that teachers take time to explain things and that they are encouraged to help each other. The school strives to return students to the regular public school once they are reading at grade level.

Another school focuses on students with disabilities and students with attention deficit disorder:

> This small, formerly public kindergarten through 12th grade charter school targets learning disabled and artistically creative students. These student characteristics are what distinguishes the school's student body from that of the surrounding district; the charter school's student body is similar to the district's in terms of ethnicity and income level. One-third of the fewer than 100 students have active IEPs and are eligible for special education services. The school also has a large population of students with attention deficit disorder and some do not qualify for special education services. In addition, the school attracts a considerable number of gifted students who were bored with their previous schools and seek the more challenging and flexible environment offered by the charter school.
>
> The school's program integrates the arts into the school's multigraded settings and provides ample opportunities for instructional flexibility. Parents, teachers, and students all described the school as a place where individuality is valued and differences in learning styles are seen as an asset rather than a handicap. Counseling, arts education, and academics are seen as equal parts of a holistic educational experience. The high school is broken into Advisory Groups, which meet every day for half an hour to work on a variety of projects and discuss issues or concerns. Advisory Groups are seen as an important part of the support network for students at the school; the small student-teacher ratio of the Advisory Groups (nine to ten students per staff member) allows the staff to be more familiar with students' needs.

Both of these charter schools have designed programs specifically to meet the unique needs of these groups of students. They are what might be called *niche* schools, providing a much-needed service for parents who feel their children are not adequately supported in regular public schools.

4. Schools That Target At-Risk Students and/or Dropouts

About 15 percent of the fieldwork schools specifically target at-risk students or dropouts. (Schools serving the broader population of students that are economically disadvantaged are described above.) The founders of these charter schools have identified a group of

students whom the regular system has failed and designed programs to meet their needs. The following examples illustrate differences among the types of students enrolled in schools targeting at-risk students as well as some of the kinds of programs offered:

> This newly created kindergarten through 12th grade charter enrolls about 750 students. Many of these students are not successful in the traditional high school, are students who need a flexible schedule in order to pursue artistic training, who want to accelerate their school program, or who are being home-schooled. In other respects, the student body is similar to that of surrounding district schools. (The school enrolls about three-quarters White students, about four percent students with disabilities, and no students who are Limited English Proficient.)
>
> The school's individualized program suits the needs of this targeted group of students through a combination of classes delivered by teachers at the schools, an on-site interactive instructional television link, individual instruction from teachers, and home-schooling with required parent participation. Students have some classes on site, but spend most of their time working independently on a mixture of purchased and school-developed curriculum units. They are required to meet with their teachers at least once a week.

A second school illustrates how a similar population of students can be served by a different type of educational program:

> This formerly public charter school, serving young people between the ages of 16 and 21, has an official policy: "In order to be admitted to [the school], a student must have withdrawn officially from the public schools without graduating or must be seriously at-risk of dropping out." Students at risk of dropping out must be referred officially to the school by another public school principal, guidance counselor, or other school official. In addition, students eligible to attend the school must be at least one grade level behind their graduating class cohort. The school enrolls about 100 students. As a result of the targeting of these groups of students, many are low-income (more than one-third of these students are eligible for free or reduced-priced lunch), 15 percent are Limited English Proficient, and more than half of the students are of either Hispanic or Asian decent. The small college preparatory school located on a community college campus is organized into multigraded small classes. The school operates from 11:00 AM to 8:00 PM to accommodate the needs of its students, many of whom are working or are parents. The school strives to meet individual learning needs and offers a competency-based, interdisciplinary curriculum.

These cases illustrate that many niche charter schools are similar to alternative public schools, except that they are not responsible to districts. All of the schools we described are in states that have established a central state authority to grant charters. The difficulty of overcoming bureaucratic impediments to starting alternative schools is a common complaint reported to us by charter developers of niche schools. Consequently, freedom from district bureaucracy may produce innovations that better serve youngsters. However, it is too early

to tell whether they serve students as well as alternative schools that are accountable to their districts. The Study plans to conduct research in the future to address these questions.

D. SUMMARY

- We found no evidence to support the fear that charter schools as a group disproportionately serve White and economically advantaged students. The evidence summarized below suggests a different picture of most charter schools having similar demographic characteristics as other public schools, except that about one out of three charter schools focus on minority or economically disadvantaged students.

- **Overall racial distribution.** About one-half of charter and all public schools serve predominantly White students, about one-quarter of charter and all public schools serve predominantly non-White students, and the remainder serve a diverse group of students.

- **Racial comparison by states.** Of the states with at least ten operational charter schools, California, Colorado, and Arizona have a somewhat higher average school percentage of White students in charter schools than in all public schools, whereas Michigan, Minnesota, Texas, Massachusetts, and Wisconsin have a lower average percentage of White students in charter schools than in all public schools, with the first three states having a considerably lower average.

- **Charter schools compared to districts on race/ethnicity.** Our best estimate is that 60 percent of the charter schools are not racially distinct from their surrounding district (in the sense that the school's percentage of White students is within 20 percent of the district's average percentage of White students.) About one in three charter schools serve a distinctively higher percentage of students of color than the district. Insofar as charter schools are racially distinctive from their surrounding districts, the evidence indicates that they are much more likely to enroll students of color. Only five percent of charter schools enroll a percentage of White students higher (by at least 20 percent) than the percentage of White students served by their surrounding district.

- **Charter schools compared to districts on income.** Of the 34 percent of charter schools that serve predominantly low-income children, two out of three (63 percent) serve a distinctively higher percentage of poor children than their district average; most of the other such schools are not distinct from their districts. In contrast, about half the charter schools serve primarily students who are not low-income. Fifty-one percent of these schools are similar to their district in terms of the percentage of economically disadvantaged students.

- **Charter schools serving special populations.** We estimate that approximately one-fifth of charter schools may serve a particular student population. At least 32 charter schools serve more than two-thirds African-American students, 13 serve more than two-thirds Native American children, 22 have more than two-thirds Hispanic students. In eight schools students with disabilities make up more than half the school's student population. In general, we estimate that the percentage of LEP students served in

charter schools (12.7 percent) is about the same as in other public schools (11.5 percent). Without regard to differences across states, the reported percentage of students with disabilities at charter schools (8 percent) is somewhat less than for public schools in these states (11 percent).

1 The five racial/ethnic categories are those used by the Census in gathering data on individuals. The Study uses these categories to allow comparisons to national data. In descriptions of particular schools and their students, we will refer to students in the way that their schools refer to them.

2 The statistics in columns two and four are the result of pooling student enrollment data for different racial/ethnicity categories across the 89 percent of operational charter schools that responded to our survey and had valid racial data. (Columns three and five represent a similar computation for all public schools.) Since the number of charter schools is small and most charter schools have low enrollments, the larger schools have a disproportionate weight in the calculation. The last two columns show the result of computing similar numbers using the *school* as the unit of analysis rather than the *student*. Hereafter, we use the school as the unit for computation, unless otherwise noted.

3 The charter school average percentage of White students is higher than the pooled percentage of White students (compare data in column five to data in column three) because of the relationship between the racial/ethnic distribution and school size. Our data suggest that small (those with fewer than 200 students) charter schools are more likely to serve predominantly (greater than two-thirds) White students than are larger charter schools (slightly more than half of small charter schools serve predominantly White students, while fewer than 20 percent of other public schools do). Small charter schools are also more likely than other public schools to serve students of color: 27 percent of small charter schools serve predominantly students of color, while 14 percent of other public schools do. See Appendix D. The term "student of color" is used here to mean students who are not classified in the racial/ethnicity Census categories as White not Hispanic. This term is somewhat inaccurate for a variety of reasons, not the least of which is that the use of this term implies that all Hispanic students are non-White. Nonetheless, we will use "student of color" or "non-White" throughout the text.

4 Our analyses rely on data from schools in 16 charter states. Hereafter, the main body of the report provides data based on school averages or percentages. Exhibit D-3 in Appendix D shows data comparable to Exhibit 4-2 for the percentage of students in each state, regardless of the differences across schools in the enrollment.

5 Of the 102 charter schools in our sample that enroll between two-thirds and 100 percent students of color, about one-third serve predominantly (greater than or equal to 50 percent) African-American students, about one-third serve predominantly Hispanic students, and 14 charter schools serve primarily Native American students. Only two charter schools had students who were predominantly of Asian origin.

6 Exhibit D-4 in Appendix D compares alternative measures of racial enrollment patterns for charter schools on a state-by-state basis.

7 Exhibit D-5 in Appendix D shows a state by state distribution for all three levels of racial concentration for charter schools and all public schools in the 16 charter states.

8 First, charter schools in such states as Arizona, Massachusetts and Michigan may be authorized by state agencies and therefore may not be part of any local school district. Second, whether or not a charter school has been granted a charter by a local school district, some charter schools are not "within" the boundaries of any local districts. For example, home schools, distance learning, some special education, and a variety of other types of charter schools draw on students from several districts and locations. Third, some charter schools in Arizona have branch schools that are located in different locales. In total, we estimate that between 15 and 20 percent of charter schools do not necessarily draw students from within the boundaries of one district. In our fieldwork sample, about 15 percent of our field sites fit this description.

9 Comparison districts were identified in several different ways. Schools that were surveyed in the 1996 telephone survey were asked to identify the district in which they were physically located, and which we used as a district comparison. For schools not responding to the 1996 survey, we utilized information provided by the U.S. Department of Education where possible. These districts were selected by matching school and district zip codes. For several schools that we visited, we knew that the school enrolled students from multiple districts. For example, several Arizona schools enroll students from the entire Phoenix metropolitan area. In these cases, we used the Consolidated Metropolitan Statistical Area (CMSA) as a comparison rather than an individual district, and averaged student demographic information for schools in this CMSA. Similarly, for Massachusetts schools which pull students from multiple districts, we requested information from the Massachusetts Charter School office on numbers of students enrolled in given districts. For two Massachusetts schools, we used two districts as comparison sites and averaged student demographic information. Where district information was still missing, we telephoned the school to request their assistance with identifying a comparison district.

10 In statistical terms, the graph shows the results of a linear regression of the percentage of White students at charter schools regressed on the average percentage of White students enrolled in the surrounding district. The adjusted R Square is .50, which is highly significant. The regression coefficient is 1.08, which means that a one percent increase in the district average is likely to produce a one percent rise in the charter school percentage.

11 We also examined distinctiveness at the ten and 15 percent cutoffs. Though the exact percentage of charter schools that are or are not distinctive changes according to which definition we apply, the basic pattern discussed in this section is not sensitive to which of these definitions we use. We chose to use the 20 percent cutoff as the most conservative definition of distinctiveness.

12 For approximately five percent of the responding sample, we could not assign any single or multiple districts as a basis for charter school comparison.

13 The percentages in these tables are slightly different from those shown in Exhibit 4-5 because the number of charter schools used in the table is smaller, as explained in the text and the preceding footnote.

14 Children are eligible for free meals under the National School Lunch Program if their family income is at or below 130 percent of the official poverty level (in 1997, 130 percent of the poverty level is $20,865 for a family of four.) Children are eligible for reduced-price meals when their family incomes are between 130 percent and 185 percent of the poverty level (in 1997 185 percent of the poverty level for a family of four is $29,693).

15 For the majority of districts, we were able to obtain free and reduced lunch data from the National Center for Education Statistics' 1993-94 Schools and Staffing Survey, Teacher Demand and Shortage Questionnaire for Public School Districts. For two additional states (Arizona and Massachusetts), we were able to obtain some additional 1996-97 data from state sources.

16 The sources of the reduction in data are missing school data (36 schools), missing district data (95 schools) or missing data for both school and district (25 schools).

17 To explore the possibility that the missing data causes a bias, we conducted response bias analyses to determine whether there was systematic bias between those schools for which we were able to make district comparisons and those for which we were unable to make comparisons. Our analyses revealed that the two groups were similar with respect to distribution by state, school size, or school type (new versus pre-existing schools). In other words, to the degree that we were able to determine, we found no evidence of bias. Nevertheless, these comparative data should be treated as exploratory and subject to change given more complete data.

18 The 93 schools in our fieldwork sample were selected in an unbiased way from states with charter schools in operation for at least one year at the time of selection. The selection process aimed to generate a diverse group of schools to study more intensively, so schools were chosen within each state to include schools that are newly created, schools that converted to charter status, schools that are elementary, middle, and high schools, and schools that are distributed geographically within the state. Though the sample is not strictly representative of all charter schools, the 93 fieldwork sites that make up the sample have demographic characteristics very similar to the universe of charter schools. Two of the 93 original charter schools are no longer part of our fieldwork sample. One is no longer a charter school, and the other school has decided not to continue to participate in the Study.

19 We categorized the sample of 91 fieldwork schools into the same three categories as we did in the analysis of all schools: schools enrolling fewer than one-third White students, schools enrolling between one-third and two-thirds White students and schools enrolling more than two-thirds White students. When grouped this way, the fieldwork sites and all charter schools show a nearly identical distribution: 23 percent of the fieldwork sample and 28 percent of all charter schools enroll fewer than one-third White students; 26 percent of the fieldwork sample and 21 percent of all charter schools enroll between one-third and two-thirds students of color; and 51 percent of the fieldwork sample and 51 percent of all charter schools enroll more than one-third White students. Although the numbers become too small to reliably compute percentages, within the three categories, the proportion of fieldwork schools that are distinctive from their districts is roughly the same as for all charter schools.

V. Why Charter Schools Are Started and What Attracts Parents to Them

The founding of a charter school is a profoundly local event, catalyzed by but also circumscribed by state policy. Charters start from the inspiration of individual educators, groups of parents, community leaders, or teachers with a dream. They want something different for children. They gather support, overcome skeptics and political resistance if they need to—and they often do—and create a proposal that says why they want to start their charter school, what students they want to serve, and what they plan to do. Once a charter is founded, parents and students make deeply personal decisions, exercise their choice and take a chance on enrolling in this new opportunity. Their reasons vary greatly, as one might expect. Despite the variation, discernible patterns arise from the confluence of individual choices made by founders and parents. Drawing on data from our yearly telephone survey and recurrent fieldwork at 91 charter schools, this chapter describes the patterns of reasons why charter schools were founded and suggests why parents and students may be attracted to charter schools.

Chapter Highlights

- **The majority of charter schools are newly created, and most such schools are founded to realize an alternative vision for schooling or to serve a special target population of students.**
- **The primary reason pre-existing public schools convert to charter status is to gain flexibility and autonomy from their districts or by-pass various regulations.** Private schools convert to charter status to seek public funds so that they can stabilize their finances and attract students, often students whose families could not afford private school tuition.
- **Focus group data suggest that parents and students choose charter schools in part because of dissatisfaction with their former public schools.** They express dissatisfaction in regards to academics, a dehumanizing culture, fears about safety, and unresponsiveness to serious parent involvement.
- **In order to attract parents and students, charter schools tend to focus on one or a combination of the following themes—a quality academic program with high standards, a supportive environment often based on small school size, a flexible approach to educational and cultural programming approach, or, in sharp contrast, a highly structured school environment.** These themes play out locally in varied ways.

A. REASONS FOR FOUNDING CHARTER SCHOOLS

All schools serve a general education mission of helping students to be successful in life, but within this context the founders of charter schools have a wide variety of reasons why they wanted to start their charter school. Our telephone survey asked respondents to tell us the most important reasons for founding their charter schools and further asked them to rate their *most* important reason of these reasons.[1] Rather than give them a list to respond to, the question was open to anything the respondents at the school, usually the principal or a key member of the staff, wished to say. We coded their responses into six broad categories, as shown in Exhibit 5-1.

A group of schools cited reasons that we coded as them wanting to *gain autonomy or flexibility* from district or state regulations. For example, some schools cited the desire to hire their own staff, some wanted to form a feeder cluster with other schools in the same district so that they could have a coherent program, and others focused on being free of a wide variety of state regulations. These examples can be multiplied. The side box on the next page gives a sample of these "reasons," and the next chapter provides vignettes about

EXHIBIT 5-1
REASONS FOR FOUNDING CHARTER SCHOOLS

Reason for founding charter school	The *most* important reason (number in parenthesis is % that cited each reason. Respondents could state more than one reason)	
Realize an alternative vision for schooling	55.2%	(68.6%)
Gain autonomy/flexibility	15.4%	(22.7%)
Serve special population	16.8%	(22.1%)
Attract students	4.4%	(11.7%)
Financial reasons	4.7%	(11.5%)
Parent involvement	3.6%	(9.8%)
Total # of schools	364	

EXHIBIT 5-1 GRAPHIC
MOST IMPORTANT REASON FOR FOUNDING CHARTER SCHOOL

schools that experience such obstacles to charter development. One-fifth of charter schools sought such independence and 15 percent reported autonomy to be their most important motivation for starting a charter.

WHAT WERE THE MOST IMPORTANT REASONS FOR FOUNDING YOUR CHARTER SCHOOL?

A sample of answers coded as wanting to "Gain Autonomy/Flexibility"

- Freedom to create progressive responses to student needs without constraint of the education codes.
- To get away from bureaucracy and special interest groups. Maxed out on what we could do in current system; needed fiscal autonomy and personnel flexibility.
- Flexibility in fiscal resources; flexibility in scheduling; demonstrate that without additional resources a school with autonomy can improve student learning.
- Flexibility; implement new practices; community involvement.

More than two out of three charter schools gave a different set of reasons that spoke of how they wanted to change schooling or focus their educational program in certain specific ways. Virtually no two schools described their vision in the same way. For example, some schools focused on pedagogical practices that they thought would benefit students, others spoke of the use of technology or distance learning, and still others emphasized the behavioral and cultural environment the school was established to create. Our fieldwork experience suggests that underlying these diverse specifics is a more general theme that speaks to the school's vision leading to the desire to start a charter school. We therefore coded this group of reasons as the founders wanted *to realize an alternative vision of schooling.*

Another frequently cited reason for founding the charter schools was to serve a particular population of students. One-fifth of the charter schools gave this reason as important and 17 percent reported it to be their most important motivation for starting a charter. Though these schools often create educational programs suited to their target group of students, they begin with a mission toward serving these students—whether the students are dropouts, at-risk, physically or emotionally challenged, or from a particular racial, ethnic, or cultural background. Since the fundamental aim of these schools is serving their target students, the end of the preceding chapter (which focuses on the type of students served by charter schools) includes vignettes describing some of these schools.

One-third of the charter schools spoke about the three other reasons shown in Exhibit 5-1—attracting students, financial reasons, and parent involvement. Though only about ten percent of the schools felt these reasons were their most important motivation for founding, they were very clear about how the possibility of charter status enabled them to address deep concerns. A subsequent section of this chapter provides an example of a school that feels parent involvement is an integral part of their students' education.

WHAT WERE THE MOST IMPORTANT REASONS FOR FOUNDING YOUR CHARTER SCHOOL?

A sample of answers coded as wanting to "Realize an Alternative Vision for Schooling"

- School-to-work program/outcome based-education. Look at how to redo high school education.
- To provide a high-quality education for students interested in the arts.
- Unable to implement uniforms in traditional high school.
- Teacher dissatisfaction with large classrooms of regular schools. Wanted to provide program conducive for student learning with a student-geared environment.
- To provide innovative techniques and ways of learning. The use of technology not moving fast enough in traditional settings.
- To provide a smaller school environment.
- To be able to offer Montessori education as an alternative.
- Provide safe environment, reduce class size, more hands-on, project-based learning.
- Implementation of articulated curriculum and parental choice.
- To provide a broader base of services for children in our community.
- We wanted another alternative for students who didn't fit into the system.

Type of Charter School and Founding Reasons. The table in Exhibit 5-2 shows the distribution of reasons for founding the three types of charter schools—newly created schools, former public schools, and former private schools. The data show that, in our sample, three-quarters of charter schools that were begun to realize an alternative vision of schooling are newly created schools. The vignette in the side box illustrates a newly created school founded for this broad class of reasons.

EXHIBIT 5-2
REASONS FOR FOUNDING CHARTER SCHOOLS BY SCHOOL TYPE

Most important reason for founding charter school	% of charter school type by the most important founding reason *(read percent across row)* Newly created	Pre-existing public	Pre-existing private	Total #
Realize an alternative vision	77.1%	14.4%	8.5%	201
Gain autonomy/flexibility	21.4%	73.2%	5.4%	56
Serve special population	83.6%	8.2%	8.2%	61
Financial reasons	5.9%	41.2%	52.9%	17
Attract students	18.8%	12.5%	68.8%	13
Parent involvement	61.5%	30.8%	7.7%	16
Total # and % across charter school type	230 (63.2%)	88 (24.2%)	46 (12.6%)	364 (100%)

NEWLY CREATED SCHOOL FOUNDED TO REALIZE AN ALTERNATIVE VISION

Two educators founded this K–8 school to realize their educational vision. Both teachers used integrated thematic units extensively and practiced cooperative learning in their local public school. A change in school administrators, which brought pressure to teach more from textbooks, and increasing class sizes convinced the teachers to start their own charter school. They hired several other teachers who shared their educational philosophy, capped class sizes at 18 students, and openly encouraged parent participation in the school's development. Due to their experience and reputations in the community, the school's seats were quickly filled and the waiting list has grown to more than twice the school's size.

This finding sharply contrasts with the case for schools that cited autonomy as their primary founding reason—about 73 percent of those in the sample were former public schools that converted to charter status. Many implications flow from these contrasting origins. Pre-existing public schools that seek autonomy generally have their educational program, governance and relationships to the community in place before seeking charter status, but have specific political and/or bureaucratic obstacles in their district context that prevent them from offering a better, more focused, and/or more cost-effective program. The founders of newly created schools who were motivated by a vision of better education did not have to struggle to obtain freedom from district bureaucracy, but had to face the difficult issues of implementing a new school and business. The next chapter on the barriers to implementation discusses and provides examples of these issues.

NEWLY CREATED SCHOOL FOUNDED TO SERVE A SPECIAL POPULATION

Newly created school founded to serve a special population. This newly created 9-12 school was founded to serve students who either have or are at risk of dropping out of school. After their district turned down their proposal to start a district-sponsored alternative school, a pair of educators took their experience running computer-assisted instruction and school-to-work programs and founded the charter school. Some students come to this school to catch up on credits in order to return to their traditional high schools and others stay on to graduate from this accredited institution. The school's educational program consists of the Josten's computer-assisted instruction program supplemented with teacher created units and a work internship program. Students work at their own pace and attend school four hours a day in one of three shifts.

Exhibit 5-2 shows a very clear pattern for schools aiming to serve a special population. More than 80 percent of these schools are new schools conceived, founded, and implemented—in the view of their founders—to better address their target students' needs and aspirations than the local public schools.

NEWLY CREATED SCHOOL FOUNDED FOR PARENT INVOLVEMENT

Newly created schools founded for parent involvement. Educators, parents, and community activists founded this K–4 school. It is based on the belief that parental and community involvement are fundamental to raising students' academic achievement. The school creates strong parent-school partnerships by involving them on the school's governing board and providing English as a second language, family literacy, parenting, and citizenship training. The school has extensive partnerships with local organizations to supplement the school's academic program and extend its school day. Educationally, the school features small class sizes, thematic curriculum that integrates technology and values, and a dual bilingual immersion program in English and Spanish.

Financial reasons and attracting students are both motivations primarily given by pre-existing schools. Charter legislation in those states that permit conversion of private schools represents an opportunity for them to receive public funds. In cases in our field sites, two motivations were obvious. Some private conversions sought to enroll students from low-income backgrounds who could not afford the tuition before the school became a public charter school. They thus deliberately sought to diversify their student body. A related motivation was the financial opportunity that chartering represents for schools to increase their enrollment and stabilize their funding source, thus enabling long-range planning and investment. In this regard, such for-profit organizations as The Edison Project and Sabis operate charter schools, and some charter schools (in Arizona, for example) operate as for-profit organizations.

EXHIBIT 5-3
TYPE OF CHARTER SCHOOL BY REASONS FOR FOUNDING

	% of charter school type by the most important founding reasons *(read percent across row)*					
Charter school type	Realize an alternative vision	Gain autonomy	Serve special population	Financial reasons	Attract students	Parent involvement
Newly created	67.4%	5.2%	22.2%	0.4%	1.3%	3.5%
Pre-existing public	33.0%	46.6%	5.6%	8.0%	2.3%	4.4%
Pre-existing private	37.0%	6.5%	10.9%	19.6%	23.9%	2.2%
Total	55.2%	15.4%	16.8%	4.7%	4.4%	3.6%

The schools citing parent involvement as the most important reason for initiating a charter are distributed in proportion to the overall balance of newly created, pre-existing public, and pre-existing private schools; but, the story of parent involvement is more significant than these numbers reveal. A later section in this chapter describes the central role parent involvement plays in many charter schools.

Exhibit 5-3 summarizes the distribution of founding reasons by calculating percentages from the same data as shown in Exhibit 5-2 but this time in terms of the perspective of the three types of charter schools. From this perspective the findings are:

(1) Newly created schools, which represent more than 60 percent of all charter schools, are founded primarily to realize an educational vision (67 percent) or to serve a special student population (22 percent).

(2) Pre-existing public schools convert to charter status to gain autonomy (47 percent) or to seek an educational vision that they felt unable to realize as a standard public school.

(3) Private schools that convert to charter have mixed motives, with one-third aiming at an educational vision and over 40 percent seeking to attract students or obtain financial support.

EXHIBIT 5-4
ESTIMATED RACIAL CONCENTRATION FOR DIFFERENT FOUNDING REASONS

A. DISTRIBUTION OF RACIAL CONCENTRATION FOR EACH FOUNDING REASON

	% of charter schools within categories of racial concentration *(read percent across row)*		
Most important reason for founding charter school	**<1/3 White students**	**1/3–2/3 White students**	**>2/3 White students**
Realize a vision	19.6%	19.6%	60.8%
Gain autonomy	35.2%	25.9%	38.9%
Serve special population	45.9%	18.0%	36.1%
Financial reasons	43.8%	18.8%	37.5%
Attract students	6.3%	37.5%	56.3%
Parent involvement	27.3%	18.2%	54.5%
Total # and %	96 (27.3%)	74 (21.0%)	182 (51.7%)

B. DISTRIBUTION OF FOUNDING REASONS FOR EACH RACIAL CONCENTRATION

	% of racial concentration across the most important founding reasons *(read percent across row)*					
Proportion of White students	**Realize a vision**	**Gain autonomy**	**Serve special population**	**Financial reasons**	**Parent involvement**	**Attract students**
< 1/3	39.6%	19.8%	29.2%	7.3%	3.1%	1.0%
1/3–2/3	51.4%	18.9%	14.9%	4.1%	2.7%	8.1%
> 2/3	64.8%	11.5%	12.1%	3.3%	3.3%	4.9%
Total	55.1%	15.3%	17.3%	4.5%	3.1%	4.5%

B. RACIAL CONCENTRATION AND REASONS FOR FOUNDING

Is the racial composition of charter schools related to the reasons for which the schools were founded? Table a in Exhibit 5-4 answers part of this question by displaying the distribution of racial concentration at charter schools for the different reasons they were founded. Table b looks at the same data but calculates percentages in terms of racial concentration to illuminate the question: What reasons did charter schools with different levels of racial concentration have for being started?

Table a in Exhibit 5-4 shows that 61 percent of those schools started to realize a vision serve predominantly White students, whereas about 40 percent of schools seeking autonomy serve predominantly White students. About one-third of schools seeking autonomy enroll predominantly students of color. This finding reflects the reality that public conversion schools are likely to be large schools that serve a diverse student body.

The next row of the same table also shows that almost one-half of the schools that target special populations have predominantly students of color, but one-third of the schools in this category serve predominantly White students. The distribution of schools founded for financial reasons reflects nearly equal proportions of schools that enroll predominantly White students and those predominantly non-White students. This distribution may reflect the two distinct financial motivations we uncovered in the field—namely, some schools seek the financial resources to serve a more diverse population while others see charter status as a way to maintain or expand their operations. The few charter schools whose primary founding aim was to attract students are likely to be serving predominantly White students.

Finally, the schools started with a paramount aim of parent involvement are distributed across the racial concentration categories in a proportion similar to the distribution for all charter schools—this motivation occurs for schools that operate in the range of different racial situations.

C. THE PUSH AND PULL OF CHARTER SCHOOLS

In answer to the telephone survey, 72 percent of the charter schools in the sample said they had more applicants than could attend their school.[2] These percentages have not changed much for schools that have been operating for several years as compared to more recently opened charter schools, and they are approximately the same for newly created or conversion schools. Small schools are slightly less likely to have a waiting list (69 percent) compared to middle-sized (79 percent) and larger schools (76 percent) but the overall distribution is relatively consistent. Schools started with the primary motivation to attract students represent the exception—94 percent of these schools say they have more applicants than they can currently handle.

If success is judged by parents and students voting with their feet, charter schools are in demand. Though it is premature to rest on this slim evidence without other indicators of success—such as student performance—parents and students are choosing charter schools for a variety of personal and situational reasons. During our visits to charter

schools, we systematically conduct parent and student focus group meetings. At these sessions, which last for a minimum of 45 minutes, we ask parents and students separately why they selected their charter school. From the many specific answers, two broad themes clearly emerge—many students and parents feel *pushed* away from the district public schools and many feel positively *pulled* toward the charter schools.

1. Dissatisfaction with Public Schools

The long list of complaints lodged against the students' former public school experience can be condensed into four general dissatisfactions—namely, concerns about academics, the school culture, safety, and accessibility for parents.

The most common issue across a wide variety of charter schools concerned academics. Many students, as well as parents, spoke about the low academic expectations that their former teachers and school had of them. Students often didn't feel challenged and generally were frustrated about not knowing why they had to learn "stuff" that didn't matter in life. Students reported having too much seat work, meaningless homework, and boring assignments—at times coupled with material that was too hard because no one explained it to them. Even eager students expressed how their excitement was dashed—for example, one child was ready to read but was always held back because the rest of the class wasn't ready. These complaints came from clearly highly achieving children as well as students who had struggled with basic literacy and mathematics. Our fieldworkers have been struck with the extremes of students—bright and struggling—that had become "square pegs in round holes" in the public system. The memory of special needs students and their tearful parents describing the many ways their previous schools had communicated low expectations to them is vivid. One student with attention deficit disorder put it in a stark way: He felt his previous school was only "baby-sitting" him.

A second major dissatisfaction concerned the previous school's environment and culture. Students were often eloquent about their sense of isolation. Many didn't feel known, close to a teacher, or guided. One student said that once a teacher doesn't "like" you it's "all over." Some students complained that social aspects at their previous schools seemed the most important thing going on and were really a distraction if you wanted to study. At the higher grade levels, teenagers spoke of being ostracized for having different interests, looking different, or getting in trouble with the legal system. Some parents of special education children recalled how their children were neglected or mistreated.

A third related dissatisfaction concerned safety. This issue was raised in a wide range of charter school contexts. Students in about three out of four of our field sites reported that they were afraid of being "picked on," beaten up, or harassed by other students. Parents echoed this concern for their children. Students in all contexts—from urban centers to suburbs to rural areas—reported this concern. The use of drugs and alcohol was mentioned by students in some middle schools. Several students shared their bitter experiences with racially inspired taunting and conflicts.

The last generic category of dissatisfaction came from parents who spoke of not feeling welcome at their children's schools. They said they were ignored when they raised problems about their own children. More poignantly, some said they wanted to help but their offers were not acted on in any meaningful way. Instead, they felt put down and that they didn't have a role in their children's education. Whatever negative experiences parents may have had seemed to weigh less heavily for them than a frustration that their children were not receiving the education or respect that they needed to be successful.

This picture of push factors weighing on some students and parents who chose charter schools should not be taken to represent all students and parents in the public system. Nor are they necessarily the views held by the majority of charter school parents and students.[3] At this time, it seems apparent that many parents have had disappointing experiences and turn to charter schools in their search for alternatives. As the next section discusses, charter developers often design their schools to address these concerns.

2. The Attraction to Charter Schools from the Schools' Perspective

Most pull factors are the mirror image of push factors. According to our focus groups, parents and older students are attracted to charter schools because of academics, an environment that works for them, a feeling of safety, and respect. Though we plan to collect

EXHIBIT 5-5
WHY PARENTS AND STUDENTS MIGHT BE ATTRACTED TO CHARTER SCHOOLS

How powerful is this feature in attracting parents and students to your school?	Mean	% of charter schools for each level of attraction (read % across row) Scale: [0] is feature not applicable, [1] not powerful to [5] very powerful						% rating 4 or 5
Feature		**0**	**1**	**2**	**3**	**4**	**5**	
O. Nurturing environment	4.62	0.6	0.3	0.9	5.4	20.7	72.2	92.9
Q. Safe environment	4.48	1.2	0.9	0.6	7.2	26.3	63.8	90.1
P. Value system	4.36	1.5	0.3	0.3	9.9	34.7	53.3	88.0
N. Quality of academic program	4.28	0.6	0.6	2.1	12.3	35.4	48.9	84.3
R. High standards for achievement	4.27	0.6	0.6	1.5	14.2	34.9	48.2	83.1
B. Small class size	4.23	6.9	1.5	2.7	5.7	16.8	66.5	83.3
G. Specialized curriculum focus	4.05	4.2	1.2	2.4	14.5	33.4	44.3	77.7
J. Clear goals for each student	3.93	2.1	2.4	3.3	19.2	38.1	34.8	72.9
I. Central parent role	3.87	2.4	2.7	7.5	19.2	29.4	38.7	68.1
H. Structured environment	3.86	4.9	1.5	6.4	16.7	31.3	39.2	70.5
T. Adaptive environment	3.80	4.7	3.8	6.0	16.7	30.3	38.5	68.8
A. Small School Size	3.75	7.5	2.1	3.0	14.4	41.4	31.5	72.9
E. Extensive use of technology	3.22	5.4	8.1	15.6	24.3	23.1	23.4	46.5
D. Dress/behavior code	3.11	15.5	6.7	6.1	21.0	24.6	26.1	50.7
C. Services for disabled	2.76	11.6	10.1	16.8	27.4	20.4	13.7	34.1
F. Flexible school schedule	2.68	24.8	7.0	8.5	16.4	21.5	21.8	43.3
K. Extensive community service	2.54	17.9	9.7	14.2	29.4	16.4	12.4	28.8
L. Focus on cultural/ethnic needs	2.34	25.8	13.6	11.5	16.7	15.2	17.3	32.5
M. Longer school year	1.42	54.2	8.7	7.1	11.1	8.7	10.2	18.9
S. Support for home-schooling	1.10	59.5	13.1	6.5	6.9	6.5	7.5	14.0

systematic parent survey in the future, at this time we have not yet gathered information from a broad cross-section of parents to determine the richer story that underlies the possible reasons why parents are attracted to specific features of charter schools.

However, we can report on the perception of the schools as to why they believe parents are attracted to their schools. The telephone survey asked key personnel at the charter schools how powerful each feature on a list of attractions were for parents and students to attend their school. Exhibit 5-5 lists the results, showing the percentage of charter schools that rated a score for each feature. The table also shows the mean score for each feature, which indicates its overall attractiveness. A maximum score would be five. The items are ranked in descending order, and the letter in front of each feature indicates the order in which the features were presented to the school respondents.[4] The table's last column adds the percentage of charter schools that had rated an item as either four or five. This addition is a convenient way to measure the percentage of schools that felt a feature was powerful or very powerful to parents and students in choosing their charter school.

The table shows that the feature with the highest percentage of charter schools considering it to be a powerful or very powerful attraction is a "nurturing environment." Ninety-three percent of charter schools felt this about their school environment. In contrast, 14 percent of charter schools felt that "support for home-schooling" was a powerful or very powerful attraction. These findings are not surprising. Fifteen percent of charter

EXHIBIT 5-6
UNDERLYING FACTORS ATTRACTING PARENTS AND STUDENTS TO CHARTER SCHOOLS

How powerful is this feature in attracting parents and students to your school?	% of schools rating item as 4 or 5	Academic factor	Small size factor	Flexible program factor	Structure factor
R. High standards for achievement	83.1%	.72	-.12	.22	.20
P. Value system	88.0%	.72	.14	-.07	-.04
N. Quality of academic program	84.3%	.70	-.12	.10	.21
I. Central parent role	68.1%	.52	-.17	-.14	-.22
O. Nurturing environment	92.9%	.57	.39	.02	-.07
Q. Safe environment	90.1%	.48	.25	.09	.15
A. Small School Size	72.9%	-.07	.77	-.04	.03
B. Small class size	83.3%	.02	.77	.13	.13
T. Adaptive environment	68.8%	.29	.46	.21	-.33
F. Flexible school schedule	43.3%	-.05	.10	.66	-.27
E. Extensive use of technology	46.5%	.11	-.16	.63	.06
E. Extensive community service	28.8%	.20	.11	.57	-.05
L. Focus on cultural/ethnic needs	32.5%	-.04	.04	.52	.09
M. Longer school year	18.9%	-.08	.09	.49	.22
J. Clear goals for each student	72.9%	.37	.15	.43	.00
G. Specialized curriculum focus	77.7%	.38	-.04	.28	-.07
D. Dress/behavior code	50.7%	.24	.03	.35	.58
H. Structured environment	70.5%	.35	.02	.39	.50
S. Support for home-schooling	14.0%	.10	-.06	.30	-.64
C. Services for disabled	34.1%	.20	.14	.27	-.15

schools reported elsewhere on the telephone survey that their educational program *primarily* involved home and independent study. Our common experience in the 91 field sites we visited was a pervasive feeling expressed by virtually all charter school participants that they had created a nurturing environment, even when other aspects of operating the charter school was difficult. Thus, some items on the list pertain to more-or-less specific features of the schools—for example, home-schooling—whereas other items represent more general aspects that schools can realize in very different ways. Consequently, rather than analyze the results for each item, we clustered the attractions using statistical procedures to explore the broad themes underlying the more specific features. Exhibit 5-6 shows the results.

The features in this exhibit have been reordered to reflect the underlying themes. The alternating shading highlights those features that statistically cluster together and suggest the names of four underlying factors shown at top the last four columns—factors of attraction concerning academics, small size, flexible programs, and structured school environment. The numbers listed in these columns are factor scores, which can be thought of as the weight that a feature contributes to the composition and meaning of the underlying factors.[5] The scores can range from 1.00 to -1.00, and scores at or above .50 (or at below -.50) contribute significantly to the factor.

The first factor consists of features defining the academic pull of charter schools. High standards for student achievement, a value system that supports achievement, and a quality academic program are core elements of the package that four out of five charters feel they are offering to parents and students. The testimony from our focus groups vividly confirms the schools' perception of the power that the academic pull has for students as well as parents. As manifested in charter schools, parents may also play a central role in a

A Focus on Academics

This K - 12 charter school offers an academically rigorous program following the Paideia model. The school has eliminated tracking. Its educational program consists of a common core curriculum (which meets or exceeds the graduation requirements of its surrounding district) supplemented by intensive instruction in the arts, sciences, and foreign languages. Instruction emphasizes hands on learning, demonstration of mastery, reflection on assignments, and sharing of process and products. The school has adopted the state's content standards and is moving to eliminate Carnegie-based time units in favor of a standards-driven system. The school requires that parents volunteer at least 18 hours a year and proudly reports 100% participation. The school has recently successfully passed its charter renewal process with a unanimous vote from the district's board. Parents reported that the school's focus on academics, inclusion of the arts, and openness towards parents attracted them to the charter school.

schools' academic focus. Our field data illustrates how parents across a range of charter school contexts advocate for quality programs, participate in standards setting, work with their students both in the schools and at home, and actively support school academic policy. The data as well as our fieldwork suggest that many charter schools as well as parents see a "nurturing" and a "safe" environment as compatible with and often key elements in the implementation of a quality academic program. A "nurturing" and a "safe" environment can be realized in many different ways—as the vignette in the accompanying text box illustrates—and indeed, these feature also contribute to the next underlying factor.

"Small size" establishes a context in which programmatic and cultural features can create the nurturing, safety, and adaptive elements that many students seek—and might receive at charter schools. Indeed, the data from earlier chapters clearly show that a much higher proportion of charter schools are smaller than of all public schools. The small-size factor emerges as a defining element of the charter movement. Though it is premature to say whether small size will result in desirable student outcomes, many students and parents who participate in these schools feel convinced that small size is a key to a successful education. The vignette in the accompanying side box illustrates just one of many ways that charter school educators and parents have constructed a program that uses small size to realize educational value.

Small Size

This newly created K-12 school is located in a major metropolitan area. It was created to offer an integrated arts curriculum to students who have learning disabilities and/or are artistically inclined. The school is deliberately small. It serves less than 100 students and is only projected to grow to 120. The maximum class size is 15 and some classes have as few as five students. In contrast, the surrounding district's average class size is 27. In addition to morning art integrated core classes, students take electives in the afternoon ranging from theater, visual arts, dance, and music. Parents are required to volunteer time at the school. Parents interviewed report that its small size, individual attention for students, high academic standards, arts program, and openness to parents attracted them to the charter school.

The third underlying factor reflects another characteristic made possible by the freedom afforded in charter legislation—namely, the flexibility to develop programs that meet the needs of diverse students. Unlike the pervasive nature of the features contributing to the two factors above, the flexibility dimensions includes a variety of distinct features that one or another school uses in their context. These flexibility features include a flexible school schedule, the extensive use of technology, extensive array of community service programs, a focus on cultural and/or ethnic needs, a specialized curriculum focus, and clear goals for each student in an individualized setting. This list is not exhaustive, but does indicate a range of features intended to meet particular student needs—and therefore attract them

to the school. Less than one-half of charter schools say they consider any one of these features to be part of their attraction, but each element of flexibility may work for its setting. In this sense, the flexibility dimension reflects a niche phenomenon that appears to characterize part of the charter movement. Charter schools are created to fill a niche and attract students on this basis, an approach that most comprehensive public schools either have steered away from or abandoned. The accompanying side box illustrates how one charter school implemented flexible programming, enabling parents and students to choose from options that they felt they could not have in the context of the standard public schools.

Flexible Programming

This newly created K–8 school is designed to provide individual student instruction with maximum flexibility. Families choose from several different educational options including: classroom-based programs from two to five days per week, home-schooling with on-site electives one day per week, or a computer-based distance learning program. Each student has his or her own learning goals based on the school developed content standards. Parents interviewed reported being attracted to the school for a variety of reasons. Those in the home school and classroom-based programs cited flexible scheduling, resources for home-school parents, higher level classes for home-schooled kids, and small class sizes. Staff said that students were attracted to the distance learning program due to violence in the local schools and its flexibility. Some of the school's families travel extensively for work and a few students train seriously for competitive sports.

The final underlying factor also concerns a series of features that appears to characterize a sizeable minority of charter schools. The features involves a variety of different forms of codes of dress or behavior throughout the school, often coupled with a structured approach to curriculum and instruction. In a sense, these schools can be defined by their opposites, as reflected in the high negative scores in the last column of the exhibit—a tendency to reject an adaptive school environment or a flexible school schedule and instead rely on a uniform curriculum and instructional approach regardless of differences across the students. The concept of home-schooling, for example, runs counter to the beliefs about education that motivate this structured approach (see the very high negative score for home-schooling on the last factor). But it would be a misreading of the reality of charter school choice to consider this approach as being forced on parents or students. Our focus groups generally confirmed that the families that opted into a structured approach felt solidly behind it, often coming from what they thought of an undisciplined, unfocused, valueless, and unproductive public school system. Moreover, the school administrators generally took great pride in their program, the educational standards they maintained, and the life values and guidance they felt they were offer to the students. In several cases

in the field sites, respondents were quick to point out that students—or parents—who did not conform to the rules, or felt uncomfortable, could leave the school and return to the other public schools.

Highly Structured Environment

This K–8 school offers parents and students a highly structured environment that emphasizes values and focuses on the core academic subjects. The school stresses respect, order and discipline, which are reflected in the school's dress code, discipline policy, and flag ceremony. Students are required to wear uniforms and receive demerits, detentions, or expulsion for breaking the rules. The school offers E.D. Hirsch's Core Knowledge curriculum supplemented with material from the state's curriculum framework. Instruction occurs in traditional classrooms on a Carnegie unit schedule. The school has an "open door" policy towards parents and encourages them to be active in their children's education. Parents interviewed reported its structure, uniforms, values, openness to parents, and small school size attracted them to the charter school.

D. SUMMARY

This chapter has explored why charter schools are started and what their attractions may be for parents and students. The majority of charter schools are newly created, and most of these schools seek to realize an alternative vision of schooling or to serve a special target population of students. Public schools that convert to charter status also seek an educational vision, but often start from an established—and frequently a highly regarded—program. The primary reason why most such schools are begun is to gain autonomy from their districts or bypass various regulations. Private schools that convert to charter status seek public funds so that they can stabilize their finances and attract students, often students whose families could not afford private school tuition.

Schools that are begun to serve an educational vision are more likely to be schools that primarily serve White students, compared to schools seeking to gain autonomy or wishing to gain funds to serve their diverse and often predominantly non-White student body better.

More than 70 percent of charter schools in the telephone sample said they had more applicants than could attend their school. Push and pull factors combine to cause parents and students to choose charter schools. They expressed dissatisfaction with the public system in regards to academics, a dehumanizing culture, fears about safety, and unresponsiveness to serious parent involvement. Pull factors that draw parents and students to charter schools address these dissatisfactions, but are realized in educational programs that are shaped in and specific to the local context. Charter schools tend to focus on one or a combination of the following themes in seeking to attract students—a quality academic program with high standards, a supportive environment often based on small school size,

a flexible approach to educational and cultural programming, or, in sharp contrast, a highly structured approach. These underlying themes get played out in many ways in the diverse contexts in which charter schools are implemented.

1 The research cited in this section draws upon telephone survey data compiled over two years from 364 charter schools—or 96 percent of all charter schools that responded to a telephone survey in Spring 1997. Nearly 60 percent cited only one reason for founding their school. About 32 percent cited two reasons.

2 The data from the telephone surveys resulted in 381 valid answers to this question with 72.4 percent of the schools responding that they had more applicants than they could accommodate. The number of cases varied according to which variable we analyzed in conjunction with this question. For example, the number of cases for the relationship between reasons for founding a charter school and whether the school had more applicants than it could accommodate is 364.

3 During the 1998–99 school year, the Study plans to conduct a parent survey for parents at the fieldwork charter schools. This information will provide systematic evidence to infer more general conclusions.

4 Three hundred thirty-four respondents were available for these questions. The respondents could answer "don't know" and most items had very few schools indicating a "don't know." The major exceptions are an "adaptive environment" (which had 317 respondents), "home-schooling" (which had 321 respondents), and "longer school year" (which had 323 respondents).

5 The statistical procedure is a principal components factor analysis using a varimax rotation and a pairwise deletion of missing values.

VI. Challenges in the Implementation of Charter Schools

Regardless of how they started, practically all charter schools have had to overcome obstacles and problems during their development. This chapter describes these implementation challenges and provides quantitative evidence about how the schools rate the difficulty of the challenges they face in their context. The chapter examines differences between pre-existing and newly created charter schools and analyzes differences between schools which opened earlier versus those which opened more recently. To provide a qualitative sense of implementation challenges, the chapter includes some examples from our field-work of schools of implementation difficulties they have faced.

Chapter Highlights

- **Most charter schools cite resource limitations as a serious implementation difficulty.** Lack of start-up funds was the most frequently cited difficulty—58 percent of charter schools reported it as difficult or very difficult. Inadequate operating funds, cited by 41 percent of charter schools, was the second most commonly reported difficulty for charter schools. These difficulties ranked as first and second, respectively, for charter schools opened in every year and for newly created and pre-existing schools.
- **Newly created charter schools are more likely to cite resource limitations as a major difficulty than pre-existing charter schools.** Nearly two-thirds of newly created charter schools reported lack of start-up funding as the most difficult obstacle faced by the school while 43 percent of pre-existing schools did so. Inadequate facilities and lack of planning time also posed more serious difficulties for newly created schools than for pre-existing schools.
- **Political resistance posed implementation problems for some schools.** State or local board opposition and district and state level resistance and regulations were cited as difficulties by 15 to 25 percent of all respondents. Internal conflict posed difficulties for nearly 20 percent of respondents.
- **Early charter schools cite a somewhat different mix of difficulties than schools opening in later years.** Schools opening in the early years of the charter movement faced greater implementation difficulties with state or local boards, with district regulations, and with state department of education resistance and regulations than schools opening in later years.

A. IDENTIFYING IMPLEMENTATION CHALLENGES

The telephone survey asked respondents at charter schools to rate the difficulty (on a scale of 1 to 5, with 5 being very difficult) of overcoming each barrier in a list of possible barriers to charter implementation. The items on the list represent information we gained in our preliminary fieldwork about the various challenges. Exhibit 6-1 shows, for barriers asked about in the telephone surveys, the percentage of responding schools in the sample reporting that the barrier was difficult or very difficult, the mean, and the standard deviation of the school's scores.[1] The barriers are listed in order from the highest to the lowest percentage of schools reporting that the barrier caused them difficulty.

From Exhibit 6-1 we see that fiscal obstacles—including funding for start-up and ongoing operations—created the greatest challenges for most charter schools. This finding replicates results presented in the First-Year Report. Fifty-eight percent of all charter schools reported that lack of funding for the school's start-up was a significant obstacle, and 41 percent reported that inadequate operating funds was a significant obstacle. Inadequate facilities and lack of planning time were also rated as difficult or very difficult by about 38 percent of respondents. State or local board opposition was also reported to be difficult or very difficult by nearly a quarter (23 percent) of charter school respondents.

EXHIBIT 6-1
ESTIMATED PERCENTAGE OF SCHOOLS[1] REPORTING DIFFICULTIES IN DEVELOPING AND IMPLEMENTING THEIR CHARTERS[2]

Barriers	% of schools reporting barriers were difficult or very difficult	Mean score	Standard deviation
Lack of start-up funds	57.6%	3.57	1.51
Inadequate operating funds	41.1%	3.09	1.47
Inadequate facilities	38.6%	2.91	1.51
Lack of planning time	38.4%	3.07	1.38
State or local board opposition	23.1%	2.23	1.39
District resistance or regulations	18.3%	1.99	1.37
Internal conflicts	18.2%	2.21	1.26
State department of education resistance or regulations	14.8%	1.95	1.27
Union or bargaining unit resistance	11.3%	1.65	1.18
Health/ safety regulations	10.4%	1.91	1.16
Accountability requirements	9.7%	1.88	1.07
Bargaining agreements	9.0%	1.53	1.10
Hiring staff	8.8%	1.84	1.07
Community opposition	6.9%	1.65	1.03
Federal regulations	6.3%	1.64	1.03
Teacher certification requirements	4.4%	1.45	0.89

1 The number of respondents across the telephone surveys is 382, which is an 80 percent sample of operational charter schools in 1996–97. Some items had slightly fewer responses. Exhibits in the remainder of this chapter are based on 382 respondents.

2 No year is indicated for exhibits in this chapter because the data are derived from different years. For this exhibit the data are derived from the first year each school was surveyed: the 1995–96 school year for schools operating as of January 1996 and the 1996–97 school year for schools operating as of January 1997. Text accompanying each exhibit specifies the time period for the survey responses.

1. Differences by Year of Opening

Exhibit 6-2 displays the percentage of schools reporting that barriers were difficult or very difficult by the period in which the school began operation: the 1994–95 school year or earlier; the 1995–96 school year; and the 1996–97 school year. Lack of start-up funds and inadequate operating funds pose the greatest difficulties for schools started in every year. We found, however, significant differences by year of school opening on five of the barriers: state or local board opposition, state department of education resistance or regulations, union or bargaining unit resistance, bargaining agreements, and hiring staff.[2]

Schools opening in the 1994–95 school year or before were more likely to report facing greater difficulties regarding state or local board opposition (28 percent versus 23 percent for all sites), state department of education resistance or regulations (21 percent versus 15 percent for all sites), union or bargaining unit resistance (21 percent versus 11 percent for all sites), and bargaining agreements (17 percent versus nine percent for all sites).

Sixty percent of the schools opening in 1994–95 or before were located in California where the district is the only charter-granting agency. In working with the district, a newly created charter school must work out a relationship with the district and ways to conform to its rules and regulations. For pre-existing schools, the school's relationship must undergo a transformation that affords the school increased autonomy and creates for the district a stronger role in accountability.

EXHIBIT 6-2
ESTIMATED PERCENTAGE OF SCHOOLS REPORTING DIFFICULTIES BY YEAR OF CHARTER SCHOOL OPENING

		% of schools reporting barriers were difficult or very difficult		
Barriers	**All sites**	**1994–95 or earlier (N=98)**	**1995–96 (N=138)**	**1996–97 (N=145)**
Lack of start-up funds	57.6%	51.7%	64.1%	54.7%
Inadequate operating funds	41.1%	41.6%	39.5%	46.6%
Inadequate facilities	38.6%	39.3%	33.6%	43.6%
Lack of planning time	38.4%	43.3%	38.3%	35.4%
State or local board opposition	23.1%	28.4%	22.9%	19.1%
District resistance or regulations	18.3%	24.7%	16.8%	15.6%
Internal conflicts	18.2%	23.6%	17.7%	15.3%
State department of education resistance or regulations	14.8%	20.5%	19.7%	6.9%
Union or bargaining unit resistance	11.3%	21.3%	11.5%	4.9%
Health/safety regulations	10.4%	9.1%	9.8%	11.7%
Accountability requirements	9.7%	5.7%	11.5%	10.4%
Bargaining agreements	9.0%	17.2%	10.2%	2.9%
Hiring staff	8.8%	5.7%	14.4%	5.5%
Community opposition	6.9%	2.3%	7.6%	9.0%
Federal regulations	6.3%	6.7%	6.1%	6.3%
Teacher certification requirements	4.4%	4.6%	5.3%	3.5%

Schools opening in the 1996–97 school year report a different pattern of barriers (see Exhibit 6-2), with a smaller percentage of schools reporting significant difficulties with state or local board opposition (19 percent versus 23 percent for all sites), district resistance or regulations (16 percent versus 18 percent for all sites), state department of education resistance or regulations (7 percent versus 15 percent for all sites), and union or bargaining unit resistance (5 percent versus 11 percent for all sites). Fifty-five percent of these schools were located in Arizona and Michigan, states that allow agencies other than districts to grant charters. Both states allow multiple routes to the granting of charters—in Arizona, two state-level agencies can grant charters and in Michigan, state universities can grant charters. The finding that significantly fewer charter schools opening in this school year reported issues with state agencies, the district, and union resistance suggests that the charter granting process and the state context mitigate some problems associated with these relationships.

2. Obstacles for Newly Created versus Pre-existing Charter Schools

Our fieldwork and the 1995-96 school year survey data showed that newly created and pre-existing schools face different obstacles to implementation. We explored this issue again this year using additional data. We divided the schools into newly created and pre-existing schools and examined obstacles for each group of schools. As seen in Exhibit 6-3, the two groups of schools show different patterns of obstacles.

EXHIBIT 6-3
ESTIMATED PERCENTAGE OF SCHOOLS REPORTING DIFFICULTIES FOR NEWLY CREATED VERSUS PRE-EXISTING CHARTER SCHOOLS

	% of charter schools that felt barriers were difficult or very difficult		
Barriers	**All sites**	**Newly created**	**Pre-existing**
Lack of start-up funds	57.6%	65.6%	43.4%
Inadequate operating funds	41.1%	43.2%	37.4%
Inadequate facilities	38.6%	44.2%	28.7%
Lack of planning time	38.4%	40.9%	34.1%
State or local board opposition	23.1%	20.7%	27.3%
District resistance or regulations	18.3%	17.9%	18.9%
Internal conflicts	18.2%	20.3%	14.5%
State department of education resistance or regulations	14.8%	11.6%	20.3%
Union or bargaining unit resistance	11.3%	10.5%	12.8%
Health/safety regulations	10.4%	12.4%	6.8%
Accountability requirements	9.7%	9.5%	10.0%
Bargaining agreements	9.0%	5.8%	14.6%
Hiring staff	8.8%	8.6%	9.1%
Community opposition	6.9%	9.9%	1.5%
Federal regulations	6.3%	6.0%	6.8%
Teacher certification requirements	4.4%	3.9%	5.3%

Larger percentages of newly created schools report having difficulties with lack of start-up funds (66 percent for newly created schools versus 43 percent for pre-existing schools), inadequate facilities (44 percent for newly created schools versus 29 percent for pre-existing schools), lack of planning time (41 percent for newly created schools versus 34 percent for pre-existing schools), internal conflicts (20 percent for newly created schools versus 15 percent for pre-existing schools), health and safety regulations (12 percent for newly created schools versus seven percent for pre-existing schools), and community opposition (ten percent for newly created schools versus two percent for pre-existing schools).

It is apparent from these data that newly created schools typically confront all of the start-up problems faced by those starting a new business. They must locate a facility for their school, purchase equipment, books, curriculum materials, and supplies, plan their curriculum and instruction, create systems, hire staff, create a cohesive team, attract parents to their school, and many other tasks. As the data show, schools struggle with many of these issues. For example, although a few newly created schools have been able to obtain a building from the district, the majority lease their space from a commercial source.[1] For our newly created fieldwork sites, finding a facility, arranging for a lease and making the up-front payments, and renovating the site to meet the needs of both the school and local health and safety codes were the most common set of start-up issues. The next section illustrates some of these issues with vignettes from fieldwork schools.

A larger percentage of pre-existing schools, on the other hand, report facing difficulties in state or local board opposition (21 percent for newly created schools versus 27 percent for pre-existing schools), state department regulations (12 percent for newly created schools versus 20 percent for pre-existing schools), union or bargaining unit resistance (11 percent for newly created schools versus 13 percent for pre-existing schools), bargaining agreements (six percent for newly created schools versus 15 percent for pre-existing schools), and teacher certification requirements (four percent for newly created schools versus five percent for pre-existing schools). For many pre-existing public schools working out new relationships with the district board and administration, as well as with the union, create challenges. Private schools that convert to charter status often find that they need to establish relationships with state and local agencies and comply with rules, such as teacher certification, that they did not previously have to follow. Again, the vignettes in the next section illustrate some of these issues.

Exhibit 6-4 shows the mean difficulty scores for newly created and pre-existing schools and shows the results of a statistical test that indicates whether the difference in the mean scores is likely to have occurred by chance. These data allow us to ask how barriers differentially impact charter schools.

As one might expect, the chart shows that although both newly created and pre-existing charter schools report lack of start-up funds as an obstacle, the problem affects newly created schools at a statistically significantly higher level than pre-existing schools (a mean of 3.87 on a five-point scale for newly created schools versus 3.04 for pre-existing schools). Similarly, new schools report inadequate facilities (3.18 for newly created schools versus

2.45 for pre-existing schools), health and safety regulation issues (2.09 for newly created schools versus 1.59 for pre-existing schools), and community opposition (1.78 for newly created schools versus 1.43 for pre-existing schools) at significantly higher rates than do pre-existing schools. Pre-existing schools report difficulties with state department rules and regulations (1.85 for newly created schools versus 2.14 for pre-existing schools) and with bargaining agreements (1.36 for newly created schools versus 1.84 for pre-existing schools) at relatively low levels but nevertheless at significantly higher rates than do newly created schools.

B. UNDERLYING THEMES

For most of the analysis discussed thus far in this chapter, we have relied on charter schools' responses to the list of barriers asked about on the survey of new charter schools; we did so to allow us to compare the responses of schools in their first year of operation. On the follow-up survey, we again asked about barriers to implementation and included a longer list of barriers that represent most of the original barriers along with those that were derived from open-ended responses to the initial survey. To explore further the findings reported above, we conducted a factor analysis on this longer list of barriers, the results of which are shown in Exhibit 6-5.[1] The factor analysis suggests four factors underlie the difficulty scores for the barriers and allow us to group together barriers that are correlated. The first factor, *resource limitations*, includes barriers related to start-up funding, funds for operation, health and safety regulations, and facilities. The second

EXHIBIT 6-4
ESTIMATED MEAN DIFFICULTY SCORES FOR NEWLY CREATED VERSUS PRE-EXISTING CHARTER SCHOOLS

	Mean difficulty score on scale of 1–5		
Barriers	**Total**	**Newly created**	**Pre-existing**
Lack of start-up funds	3.57	***3.87	3.04
Inadequate operating funds	3.09	3.17	2.95
Inadequate facilities	2.91	***3.18	2.45
Lack of planning time	3.06	3.16	2.90
State or local board opposition	2.24	2.20	2.30
District resistance or regulations	2.00	1.99	2.00
Internal conflicts	2.22	2.25	2.15
State department of education resistance or regulations	1.95	1.85	*2.14
Union or bargaining unit resistance	1.66	1.60	1.74
Health/safety regulations	1.91	***2.09	1.59
Accountability requirements	1.88	1.90	1.85
Bargaining agreements	1.54	1.36	***1.84
Hiring staff	1.83	1.86	1.80
Community opposition	1.65	**1.78	1.43
Federal regulations	1.64	1.64	1.65
Teacher certification requirements	1.45	1.46	1.44

1 *** Indicates that the mean difference is significant at the .001 level; ** indicates that the mean difference is significant at the .01 level; and * indicates that the mean difference is significant at the .05 level.

factor, which we have identified as *political resistance*, includes difficulties with the district and state boards and difficulties between the school and its board. The third factor, identified as *internal conflict*, includes conflict within the school, administration and management, and teacher burnout. The fourth factor covers *union relationships*. The remainder of this chapter will address each of these factors in greater depth, illustrating the factors where possible with examples from our fieldwork.

EXHIBIT 6-5
POSSIBLE DIMENSIONS OF DIFFICULTIES[1]

Barriers	Resource limitations	Political resistance	Internal conflict	Union relationships
Lack of start-up funds	**.72**	.12	-.04	-.04
Inadequate operating funds	**.68**	.06	.09	.11
Inadequate finances	**.66**	.12	.16	-.10
Health and safety regulations	**.58**	-.03	.09	.23
Inadequate facilities	**.56**	.10	.22	-.05
Locating facilities	**.55**	.24	.18	-.08
Difficulty in recruiting students	.42	.17	.19	.13
Federal regulations	.37	-.05	.04	.33
Lack of planning time	.32	.11	.25	.19
School district board opposition	.21	**.76**	.13	.02
Conflict between school and district	.16	**.76**	.13	.06
District resistance or regulations	.07	**.72**	.02	.26
Issues between charter board and school administration	.12	**.57**	.29	-.16
State or local board opposition	.12	**.56**	.04	.17
Community opposition	.05	.38	.23	.11
Communication within school	.07	.01	**.75**	.00
Conflict over governance	.00	.27	**.63**	.18
Administration and management	.16	.15	**.63**	.04
Staff conflict	.17	.07	**.61**	.14
Teacher burnout	.18	.00	**.60**	.23
Disagreement among parents of enrolled students	.15	.18	**.58**	.06
Internal conflicts	.09	-.01	.50	.16
Administrator turnover	.14	.03	.50	.12
Communication with parents	.08	.11	.49	.24
Teacher turnover	.27	.07	.49	.22
Conflict with external partners	.03	.10	.45	-.01
Communication with community members	.06	.28	.42	.13
Lack of parental support	.25	.11	.36	.12
Bargaining agreements	-.17	.26	-.03	**.66**
Union or bargaining unit resistance	-.20	.32	-.05	**.52**
Teacher certification requirements	.11	-.05	.07	**.51**
Hiring staff	.23	-.21	.29	.44
State department of education resistance or regulations	.07	.15	.07	.43
Accountability requirements	.21	.07	.24	.36

1 A number close to one (or negative one) represents a "high correlation" between the respondent's answers on each of the barriers and the factor score. Numbers close to zero indicate there is little correlation between the answers on each of the barriers and the factor score.

1. Resource Limitations

Resource limitations represent a very strong cluster of barriers. Six survey items define this factor, including difficulties related to finances (lack of start up funds, inadequate finances and inadequate operating funds), facilities (inadequate facilities or difficulty in locating facilities), and difficulty with health and safety regulations.

Our fieldwork provides some evidence to confirm these findings. Many schools reported a continuing struggle with resources. While some of the fieldwork schools have developed fund-raising strategies to raise additional funding to support some of their activities, many school leaders reported that the process of fund-raising was time-consuming and often took them away from other important obligations at the school.

The following sections discuss charter schools' obstacles around finances, facilities, and health and safety regulations; we illustrate the discussion with examples from our fieldwork.

Finances. The majority of newly created schools have had difficulties with start-up funding as shown in Exhibit 6-3. Nearly 66 percent of newly created schools, in contrast to 43 percent of pre-existing schools, said that lack of start-up funds was difficult or very difficult. The lack of an established credit history of newly created schools can create difficulties for locating capital funds for start-up. For example, one charter school director of a newly created school reported that she had to put her farm up as collateral to purchase portable units in order to open the school. Sustaining adequate ongoing operating funds is also a greater obstacle for newly created schools (43 percent) than for pre-existing schools (37 percent).

Financing Start-Up

A newly created charter school was designed to meet the needs of elementary school students who were not being challenged by the curriculum in the regular schools. The school began its life in a former retail space. The charter was granted late in the spring before the school was to open in September. The founding parents transformed the space into classrooms, offices, a computer laboratory, and a library. The school's founders borrowed the money to lease the space and parents donated nearly all of the labor and materials necessary to convert the space to a school. Because the school was one of the first charters granted, the state had not set up the fiscal system to support the school. The school hired a staff of teachers who were excited at the possibility of teaching in the new environment, but because the first payment from the state did not arrive until mid-October, the teachers had to begin the year with only the promise of salaries–they worked the first six weeks of school (in addition to a week-long planning period) before they were paid. The lack of operating funds at the beginning of the school's life meant that the school had to finance much of the initial purchases of textbooks and materials on credit. After the first year in a building that did not have either expansion room or a safe place for children to play, the school community made the decision to move to a different retail space and the process began again.

Facilities. Another difficulty for charter schools is inadequate or hard-to-locate facilities. Newly created charter schools are significantly more likely to report difficulty with locating facilities than pre-existing schools. As shown in Exhibit 6-3, 44 percent of newly created schools reported inadequate facilities as difficult or very difficult in comparison to 29 percent of pre-existing schools. Most pre-existing schools that convert to charter status already have a facility. In cases where schools have difficulty finding appropriate facilities, our fieldwork suggests that the entire school start-up process can be impacted.

Our fieldwork suggests an additional hardship related to the ongoing expense and the upkeep of those facilities. As one of the previous vignettes suggests, for some charter schools, locating facilities may surface as an issue again when successful schools are faced with relocating because of expanding enrollment.

Locating a Facility

For one newly created school, finding and securing a location for the school was reported as being one of the biggest obstacles the school faced upon start-up. The school almost did not open on schedule because they had not yet found a facility to house the school. The school was offered space in a local private school very close to the scheduled opening date, causing the entire start-up process to be rushed. Even then, the space is not ideal because of its small size and lack of handicapped accessibility. Thus, the school's plans to grow in size are limited unless it is able to find a more accommodating space.

Health and Safety Regulations. Often, schools which report difficulties related to inadequate facilities also report that they face difficulties related to health and safety regulations. Nearly twice as many newly created schools (12 percent) as pre-existing conversion schools (seven percent) indicated that health and safety regulations were difficulties (see Exhibit 6-3). In many cases, schools are limited by what facilities they can obtain. Although some new schools have been able to move into district-owned facilities or

Health and Safety Regulations

A newly created school, located in a small town within a large metropolitan area, refurbished retail space in a strip mall to create the school. The school staff and their architect set out to find which zoning requirements would apply to the school building. The school engaged in months of negotiations with several city agencies and the fire department before they were able to work out the rules governing the width of the driveways, where to locate the sprinklers, the number of handicapped parking spaces to allocate, and the number of bathrooms the school needed. Although all of the issues were finally resolved, it was at the expense of considerable time and cost to school staff.

closed private schools, many must depend on retail space in need of refurbishing while still others place portable classrooms on a lot that they lease or purchase.

2. Political Resistance

The political resistance factor is defined by school district board opposition, state and local board opposition, conflict between the school and the district, central office resistance or regulations, and issues between the charter board and the school's administration. All but one of these specifically deals with opposition, conflict, or resistance between the school and outside political entities. It may initially seem odd that the relationship between the charter board and the school's administration partially defines this cluster. Our fieldwork, however, suggests that conflict between the charter board and school administration often bubbles out into the public arena and results in increased resistance from state and/or local educational agencies.

Conflict With District

A district school board turned down the proposal of a parent-led coalition to start a back-to-basics charter school in the district. The coalition appealed the local board's decision to the state board of education who remanded the charter proposal back to the district board. Seeing that the state board was likely to overrule the board if the proposal was turned down a second time, the district board voted to grant the charter. Because of the issues surrounding the granting of the charter, the charter school and the district did no begin their relationship smoothly – some refer to the relationship as a "shotgun wedding". The district staff was initially disinclined to provide any support for the charter school. The charter school director, hired after the charter was granted, had previously run a private school and saw immediately that he needed to establish a relationship with members of the district staff. He made appointments with all of the district directors and assistant superintendents to explain to them what the charter school was trying to accomplish and to ask for their help and support. The strategy seems to have produced results – the charter school gained the respect and support of the district staff over time and was recently renewed.

Newly created schools were slightly more likely to report difficulties with school district board opposition and issues between the charter board and school administration.

Our fieldwork suggests that political resistance declines somewhat over time as charter schools and districts learn to coexist. Fieldwork suggests that declines in both areas may result from changing leadership in either the charter school or the district, or changes in the composition of the board and efforts on the part of charter schools to improve relations.

Conflict Declining Over Time

This middle school, enrolling students in grades six through eight, was created by a coalition of parents, business people, and community members who were unsatisfied with the local public school. They wanted to create a school environment where kids were treated with respect, listened to, and helped to adjust to adulthood. In addition, they wanted a school where the teachers knew their students well and had the autonomy to run the school and implement a unifying vision. The local community was hostile to the creation of the charter school and expressed some suspicion about the impact of the school on the local district. The situation was exacerbated by the school's first director who came form a business background and was characterized as abrasive toward the local district and community. In the school's second year, the director was replaced by an educator who actively worked to improve the school's relationship with the district, the community, and the local middle school. She opened the school to the community by hosting public open houses four times a year and worked on writing a joint grant proposal with the local middle school. According to the school staff, the district staff and community have come around.

3. Internal Conflict

This factor includes barriers regarding communication within the school, conflict over governance, administration and management, staff conflict, teacher burnout, and disagreement among parents of enrolled students. The data suggest that newly created and pre-existing schools report facing internal process difficulties to somewhat different degrees. As shown in Exhibit 6-3, both newly created schools and pre-existing schools report difficulties with internal conflict (20 percent for newly created schools and 15 percent for pre-existing schools). Our fieldwork allows us to identify examples of both newly created and pre-existing schools which faced these kinds of problems. Fieldwork data suggest that schools that have strong management and leadership structures and that have a strong agreement about the school's vision among school staff and parents seem to have fewer internal difficulties, regardless of whether they are newly created or pre-existing.

The message from our fieldwork is not consistent around internal conflicts. Some schools are plagued over time by a range of internal difficulties. Many schools where internal problems appear to be increasing suffer from a lack of internal capacity to move the program forward or to address sponsoring agency requirements. In some cases, staff are required to handle a broad range of responsibilities because of the small school size and are simply overburdened. This leads to burnout and staff turnover. In other cases, staff appear to lack the skills necessary to run the business aspects of the school.

An additional internal difficulty, based on our fieldwork, seems to be related to the role of parents in school decision-making and the day-to-day operations of the school. Many charter schools build in a strong role for parents, but as parents and staff change over time,

INTERNAL CONFLICT

This middle school began as a district magnet school emphasizing integrated thematic instruction, a multicultural and multi-ethnic curriculum, and extensive use of technology. After one year of operation, the school converted to a charter school. The charter school was begun as a district initiative to develop a local school that would pioneer new teaching methods and relieve overcrowding in area middle school. The school was also intended to serve as a district experiment in site-based decision-making. The district approved a governance structure document calling for a core group of stakeholders to be involved in the decision-making process. This core group was to consist of staff, parents, students, community members, and the principal.

Although the district and a group of parents who were involved in the school's conversion to charter status hoped the school would be progressive and learner-centered, the principal who took over school leadership two years after the school became a charter wanted to implement more traditional classroom and school structures and teaching methods. Although the district-approved governance structure was approved to go into effect in the fourth year of charter operation, the principal delayed the start-up of this new governance structure.

Despite the principal's multi-year contract, the district attempted to remove him from his position for violating the terms of his contract. These difficulties regarding the principal and the shift of the school away from new teaching and learning methods resulted in a lawsuit, negative media coverage, considerable staff turnover, a significant decline in enrollment, the abandonment of earlier parental support for the school, and lack of parental and staff involvement in school decision-making. As a result of the staff turnover, the principal has been able to bring on new staff members who share his ideas about teaching and learning and who are strong in a single academic subject. Although the school has shifted away from the district's intended goals, the district has been unable to remove the principal for contractual reasons and the principal's vision has prevailed.

role definitions also may need to change to accommodate the wishes of both groups. In addition, leadership to help the school make important decisions about school governance appears to also be vitally important.

4. Union Relationships

This factor includes bargaining agreements, union or bargaining unit resistance, teacher certification requirements, and hiring staff. Our fieldwork provided little substantiation for this factor. However, this may be a function of which schools were selected for our fieldwork. Because 11 percent of all schools reported that union resistance was a problem at start-up, we will continue to monitor this issue through continued fieldwork and additional surveys.

INTERNAL RELATIONSHIPS

The charter school shares a site with a district elementary school and the principal of the district school is technically designated as the charter school principal as well. In practice, his involvement in the charter school is minimal. The school's educational program is developmental—classrooms are multi-aged and students are grouped and regrouped during the day to accommodate the differences in their developmental stages. Teachers teach in teams throughout the day and across all grade levels The school was founded by a group of parents and teachers who wanted to provide a developmental education for their children. Parents at the school show a high level of ownership for the school's program, with one parent serving as the school's coordinator

Almost since its inception, the school has struggled with what role parents play in the implementation of the school's program. Parents feel strongly that they want to have a say in the education of their children. Teachers believe that although parents should have input, they want to be able to control the day-to-day implementation of the educational program in their classrooms. Teachers reported that parents felt free to challenge instructional decisions and to make specific recommendations about instructional methods and materials. The tension between the role of parents in the school is exacerbated by the lack of a full-time administrator who might serve as a buffer between the parents and the teachers.

Teacher turnover has proven to be a real problem at the school. All of the original teachers had left the school by the beginning of the 1996-97 school year. The entire staff (six teachers) planned to leave the school at the end of the 1996-97 school year primarily because of continuing concerns with the role of parents. Teachers at the school retain their rights to return to district schools and most planned to do so. The school had no plans to hire a full-time administrator and the governing board was considering hiring teachers who have experience teaching in charter schools.

C. KEY CHALLENGES

Exhibits 6-6 and 6-7 show the results of computing the percentage of charter schools that cited at least one of the key barriers in a cluster.[5] The table shows that resource limitations, including funding and facilities and health and safety regulations, are by far the greatest challenges faced by charter schools; almost three-quarters (73 percent) of all charter schools report facing at least one key resource barrier. Political resistance is the next most problematic group of barriers for charter schools, with more than one-third (37 percent) of all charter schools facing these types of obstacles. At least one type of internal difficulty was reported to be problematic for about 23 percent of charter schools, and union or bargaining unit difficulties were problematic for about 17 percent of all charter schools.

Exhibit 6-6 shows the differences in the percentage of charter schools that cited at least one of the key barriers in a cluster, according to their status as a newly created or pre-existing charter school. Confirming the findings reported above, these data suggest that newly created schools face greater obstacles in all areas except union and bargaining unit difficulties. The difference is most striking in terms of resource limitations, with 80 percent of newly created schools facing resource obstacles, while 61 percent of pre-existing schools faced these problems. When compared to pre-existing schools, newly created schools are also more likely to report facing internal difficulties; 27 percent of newly created charter schools reported facing at least one key internal barrier, while only 17 percent of pre-existing schools faced some kind of internal conflict. Pre-existing schools, some of which were part of a district's collective bargaining unit, were more likely to report facing difficulties with union resistance, bargaining agreements, or teacher certification requirements.

Exhibit 6-7 also shows the differences in the percentage of charter schools that cited at least one of the key barriers in a cluster, according to their year of opening. Schools that opened during the 1994–95 school year faced greater difficulties both in terms of political resistance and union relationships than schools opening in other school years, suggesting again that many of these schools were affected by an affiliation with the district and its collective bargaining laws. Schools that opened during the 1995–96 school year were more likely to be newly created schools and therefore were more likely to face resource limitations.

D. SUMMARY

Most charter schools face challenges during their development, start-up and implementation. Schools opening in later years have somewhat different patterns of difficulties from schools started earlier and newly created schools and pre-existing schools have different patterns as well.

EXHIBIT 6-6
ESTIMATED PERCENTAGE OF CHARTER SCHOOLS CITING AT LEAST ONE KEY BARRIER WITHIN A FACTOR FOR NEWLY CREATED AND PRE-EXISTING SCHOOLS

Factor	All sites	Newly created	Pre-existing
Resource limitations	73.0%	80.2%	61.1%
Political resistance	37.0%	38.0%	35.4%
Internal conflict	23.1%	27.0%	16.7%
Union relationships	17.3%	14.8%	21.5%

EXHIBIT 6-7
ESTIMATED PERCENTAGE OF CHARTER SCHOOLS CITING AT LEAST ONE KEY BARRIER WITHIN A FACTOR BY YEAR OF SCHOOL OPENING

Factor	All sites	1994–95 or earlier	1995–96	1996–97
Resource limitations	73.0%	68.4%	75.4%	73.8%
Political resistance	37.0%	43.9%	36.2%	33.1%
Internal conflict	23.1%	20.4%	16.7%	31.0%
Union relationships	17.3%	27.6%	20.3%	7.6%

Most implementation difficulties faced by charter schools can be grouped into four clusters: resource limitation, political resistance, internal conflicts, and union relationships. Resource limitations—especially funding and facilities difficulties—are the greatest barriers that charter schools report facing. Lack of start-up funding was cited as a difficult or very difficult barrier by 58 percent of all charter schools. Inadequate operating funds, cited by 41 percent of charter schools, was the second most commonly reported difficulty for charter schools. These difficulties ranked as first and second, respectively, for charter schools opened in every year and for newly created and pre-existing schools.

Newly created schools face different implementation próblems than do pre-existing schools. In addition to start-up and operational funding, inadequate facilities and lack of planning time pose the greatest difficulties for newly created schools. Nearly two-thirds of newly created charter schools reported lack of start-up funding as the most difficult obstacle faced by the school while 43 percent of pre-existing schools did so. Inadequate facilities and lack of planning time also posed more serious difficulties for newly created schools than for pre-existing schools.

State or local board opposition and district and state level resistance and regulations were cited as difficulties by 15 to 25 percent of all respondents. Internal conflict posed difficulties for nearly 20 percent of respondents. Schools opening in the early years of the charter movement faced greater implementation difficulties with state or local boards, district regulations, and with state department of education resistance and regulations than schools opening in later years.

1 The number of respondents across the telephone surveys is 382, which is an 89 percent sample of operational charter schools in 1996–97. Some items had slightly fewer responses.

2 These differences were found using a chi-square statistic, which tests whether the year of school opening and the barriers are independent of each other.

3 Of the 237 newly created schools in the sample, about 54 percent (127 schools) report that they lease their facilities from a commercial source; 19 percent (45 schools) are in a facility provided by the district either for free or at a nominal cost; 11 percent (26 schools) lease their facility from the district at or near the market rate; and 30 percent (71 schools) have acquired their facility under other arrangements including leasing from nonprofit agencies and having the site provided by an agency that sponsored the school (e.g., the Urban League).

4 Factor analysis is a statistical procedure used here to reveal underlying groups of barriers or "factors" that can be richer and more meaningful than individual barriers used alone. The responses to the barriers questions were "rotated" three-dimensionally to clarify the relationships between the individual barriers; we used the most common type of rotation, referred to as a "varimax" rotation. This rotation results in a factor "score", which is a quantitative measure of the relationship among the barriers. The numbers shown in Exhibit 6-6 are the correlations of each of the individual barriers with the four factor scores. The numbers in the table have no intrinsic substantive meaning, but a number close to 1 (or -1) is a "high correlation" between the respondents' answers on each of the barriers question and the factor score. This correlation shows which barriers most strongly define the underlying factor; a higher correlation (a number closer to 1 or -1) means that the barrier more strongly defines the factor.

5 We utilized several decision rules to determine whether a barrier falling on a cluster was a "key" barrier. We examined the correlation of each individual item with the factor cluster and examined the reliability of the factor scale using Cronbach's alpha. We considered the sensitivity of the factor relative to the number of cases that were lost by including individual barriers as part of the cluster. We also considered the percentage gain in schools reporting that a cluster of barriers was problematic on a barrier-by-barrier basis by considering barriers which correlated most strongly with the factor first. On the basis of these analyses, we finally counted a barrier as a "key" barrier when its correlation with a given cluster was greater than .50. Only these key barriers were counted in the computation of the percentage of charter schools that cite at least one of the key barriers in a cluster.

APPENDIX A

Overview of the National Study's Research Design

In order to collect and analyze systematic data about the research questions introduced in Chapter I, the Study has six interlocking research components:

1. Yearly Telephone Interviews with All Operational Charter Schools. The Study will maintain a database with information about all operational charter schools. During the first year, the Study called all charter schools that were in operation as of January 1996. In subsequent years, we interview all new charter schools that become operational. (We define operational as providing instruction to students). Annually, the Study conducts a follow-up telephone interview with all charter schools to update the national database. All charter sites are assured confidentiality for this information.

2. Repeated Field Visits to and Data Collection at a Sample of Charter Schools. In the first year, the Study chose an unbiased sample of 42 sites (cohort 1) within the five states that had charter schools which were in operation at least one year as of the 1995–96 school year. Within the five states, the Study selected either all sites in the state or chose charter schools at random within the categories of grade levels served, school size, and whether the schools were newly created or pre-existing schools. This procedure was followed to select a second cohort of 30 charter schools in additional states in which charter schools were operational for at least one year as of the 1996–97 school year. Similarly, the Study selected a third cohort of 21 charter schools in the 1997–98 school year in order to include states that have more recently adopted charter legislation. The total number of charter schools selected was 93.[1] The Study will conduct fieldwork at 91 of the selected sites. The data collected at all sites include information on student assessment, educational programs, organizational structure and climate, governance and finance, parental and community involvement and support, relations with district and/or charter sponsoring agencies, and factors affecting charter school development and implementation.

3. Data Collection from Fieldwork Districts. The Study will collect assessment data from the primary public school district or districts from which fieldwork charter schools draw their students. This data collection effort will include two steps: 1) identifying state and district standardized assessments used by both the fieldwork charter school and the surrounding district(s) and state, and if state and/or district tests are utilized 2) gathering standardized assessment results on each assessment for students in the state, the district, the charter school, and a school within each district that is as similar as possible on demographic characteristics to the fieldwork charter school.

4. Longitudinal Assessment of Student Achievement in a Sample of Charter Schools. The Study offered to provide achievement tests for all students at selected grade levels in the three cohorts of charter school fieldwork sites discussed above. The tests are criterion referenced, developed by teachers, and geared to assess the students' skills,

knowledge and problem-solving abilities in language arts and mathematics. They are called Level tests because students take a short locator exam to place them at their appropriate academic level and then take a full test suitable to their level. In this approach, students are less likely to be bored and more likely to be challenged; consequently, the tests provide more in-depth information for each child and teachers can better diagnose the students' strengths and weaknesses. The testing will be done with the same pupils over a number of years (contingent on school and student participation), and thus provide longitudinal data about each student's progress. The Study trains teachers at Study field sites in test use and analysis of results.

5. Content Analysis of State Charter Policies and Interviews with State Officials. Since charter legislation differs dramatically by state and states differ in their administration of charter schools, the Study has and will continue yearly to collect and interpret state charter school laws, administrative policies, and court rulings for all states with charter legislation. For a selected number of states, the Study will interview state level players—including knowledgeable officials and non-governmental influential actors who are pro, con, or neutral in regards to charter schools. The purpose of these interviews is twofold: (1) to identify state-level factors that affect local charter development and implementation, and (2) to broadly assess the possible positive or negative impacts of charter schools on statewide public education policy.

6. Intensive Fieldwork and Data Collection at Selected Charter Sites in Order to Assess Effect on Public Education. Beginning in 1998 and following every year throughout the project's life, the Study will purposively select a subsample of the Study sites in several states to examine the impact of charter schools on local and regional school systems. At each site, the Study will interview district and regional school personnel, community members, and representative interest groups. Team members will also collect news stories and other artifacts that bear on what, if anything, can be discerned about the extent and ways in which charter schools impact public education. This local data collection will be combined with state-level information gathered as discussed above. The field sites for these policy studies will only be in those states for which state-level interviews will be done.

1 Although 93 charter schools were selected in the three cohorts, two of the 93 schools are no longer part of our fieldwork sample. One is no longer a charter school, and the other school has decided not to continue to participate in the Study.

APPENDIX B

State Legislative Overview

This Appendix summarizes major features of state charter school legislation for the 29 states and the District of Columbia that had enacted legislation by the end of the 1997 legislative session. The summary is presented in the form of a table, Exhibit B-1. It includes amendments to charter school legislation made during 1997. The summary does not contain detailed provisions of state laws; rather, it represents an overview of key features of those laws intended to allow comparison across states. The summary, by necessity, does not capture the nuances and details of each state's legislation. The table lists key legislative features based on an analysis of state legislation as of December 1997 and includes the following eight distinguishing elements:

1. Charter approving agencies and sponsors—describes who in the state has authority to participate in granting charters. Charter-granting agencies are often referred to as "sponsors" and typically have some degree of responsibility to monitor the charter schools' progress.

2. Appeal of charter denial—addresses whether charter developers may appeal the denial of a charter application by a charter-granting agency to another body. In some cases the appeal agency may be able to grant the charter directly or order the agency that denied the charter to grant or reconsider the charter application. In other states, the appeal agency may only recommend that the charter be granted and has no authority to grant the charter or order that the charter be approved.

3. Cap on number of charters allowed in state and by district—indicates whether the state limits the number of charters that may be granted statewide and/or by district or geographic region. Many states limit the total number of charter schools that may be approved in the state; some also have caps on the total number, or percentage, of K-12 students in the state or district who may attend charter schools. Others limit the number of charters that may be granted during a given year, but may or may not limit the total number that may be granted.

4. Automatic waiver of most state education laws and regulations—indicates whether the charter law exempts charter schools from a substantial proportion of laws and regulations that normaliy apply to public schools and school districts. In some states the charter school law automatically grants charter schools a waiver of most state and local education codes and regulations. In other states there is no such waiver and the application for a charter school must specify what statutes or regulations are requested for waiver while still other states do not provide for waivers. Charter laws typically specify that state health, safety, and non-discrimination laws cannot be waived.

5. Charter school may employ and/or bargain with staff independently—indicates whether charter schools have the ability to employ and/or bargain with staff independent of existing contractual and employment arrangements. In some states charter schools act as independent entities and employ their staff; in other states, charter school employees remain or become employees of the district. Many state charter laws exempt charter schools from existing collective bargaining laws or specify that the charter school may or must bargain with employees independent of existing bargaining agreements. Others require that charter school staff be subject to existing bargaining agreements.

6. Charter school may be independent legal entity—indicates whether the charter school may or must be constituted as a legal entity independent of the local school district.

7. Basic operational funding generally comparable with other schools—addresses whether charter schools receive general-purpose and categorical operational funds comparable with similarly-situated public schools. This item excludes capital funds that rarely are provided to charter schools. Due to the complexity and varied nature of state education funding formulas, this item may also exclude district-specific and one-time funding sources.

8. School operates under limited-term, performance-based contract—indicates whether the law requires charter schools to operate under a limited-time and revocable performance-based contract that includes specified student achievement goals, standards, or outcomes.

EXHIBIT B-1

COMPARISON OF MAJOR POLICY ELEMENTS OF CHARTER SCHOOL REFORM LEGISLATION (29 STATES AND THE DISTRICT OF COLUMBIA, AS OF DECEMBER 1997)

State/Year	Charter approving agencies and sponsors	Appeal of charter denial	Cap on number of charters allowed in state and by district	Automatic wavier of most state education laws and regulations	Charter school may employ and/or bargain with staff independently	Charter school may be independent legal entity	Basic operational funding generally comparable with other schools	School operates under limited-term, performance-based contract
Alaska 1995	Local boards	No	30 state 1–10 district	No, may apply for waiver of local policies only	No	No	No	Yes
Arizona 1994	Local boards, state board, and State Board for Charter Schools	No, but may apply to multiple grantors	No caps	Yes	Yes	Yes	Yes	Yes (15-year charter term)
Arkansas 1995	State board (with local board and bargaining unit approval)	No	No caps	No, may apply for waivers	No	No	Yes	Yes
California 1992	Local boards	Yes, county panel	122 state, 10 district (21 in Los Angeles)	Yes	Yes, optional	Yes	Yes, negotiable	Yes
Colorado 1993	Local boards	Yes, state board may order local board to grant charter	60 state (cap expires in 1997)	No, may apply for waivers	Yes	Yes	Schools receive a minimum of 80%, above that is negotiable with district	Yes
Connecticut 1996	State board; also local charters approved first by local boards	None specified	24 state (cap expires 1999)	No, may apply for waivers	Yes	Yes	Yes for new starts; conversions negotiate	Yes
Delaware 1995	Local boards; state board also for new start-ups	No	5 per year for the state for first three years	Yes	Yes	Yes	Yes	Yes

BEST COPY AVAILABLE

EXHIBIT B-1—CONTINUED
COMPARISON OF MAJOR POLICY ELEMENTS OF CHARTER SCHOOL REFORM LEGISLATION (29 STATES AND THE DISTRICT OF COLUMBIA, AS OF DECEMBER 1997)

State/Year	Charter approving agencies and sponsors	Appeal of charter denial	Cap on number of charters allowed in state and by district	Automatic wavier of most state education laws and regulations	Charter school may employ and/or bargain with staff independently	Charter school may be independent legal entity	Basic operational funding generally comparable with other schools	School operates under limited-term, performance-based contract
District of Columbia 1996	DC board, charter school board, and other entities as designated by DC Council	Subject to judicial review	10 districtwide in 1996; 20 per year thereafter	Yes	Yes	Yes	Yes	Yes (15-year charter term)
Florida 1996	Local boards and state universities in some cases	Yes, state board and judicial review	No state cap	Yes	Yes	Yes	Yes	Yes
Georgia 1993	State board	No	No caps	No; may apply for waivers	May be negotiated; otherwise no	No	Yes	Yes
Hawaii 1994	State board	No	25 state	Yes	Not specified	Not specified	Yes	Yes, but non-renewal requires 2/3rds vote
Illinois 1996	Local boards; state board upon appeal	Yes, state board	45 state; 15 each in 3 regions	Yes	Yes	Yes	Negotiable	Yes
Kansas 1994	Local boards	Not specified	15 state; 2 district	No; may apply for waivers	No	No	Not specified	Yes
Louisiana 1995	Local boards; state board upon appeal	Yes, state board, but for newly created schools only	20 in 1997–98 and 42 until 2001; after 2001, cap determined by state superintendent	Yes	Yes	Yes	Yes	Yes

State/Year	Charter approving agencies and sponsors	Appeal of charter denial	Cap on number of charters allowed in state and by district	Automatic wavier of most state education laws and regulations	Charter school may employ and/or bargain with staff independently	Charter school may be independent legal entity	Basic operational funding generally comparable with other schools	School operates under limited-term, performance-based contract
Massachusetts 1993	State board; and local boards for Horace Mann schools	No	50 state; district's spending on a Common-wealth charter may not exceed 6% of net spending	No, may apply for waivers	Yes	Yes	Yes for Horace Mann schools; for Common-wealth schools, depends on local conditions	Yes
Michigan 1993	School boards, universities, and community colleges	Yes, may petition to have issue placed on ballot for next election	No absolute cap; only 85 (rises to 150 by 1999) to be issued by universities	No	Yes	Yes	Yes, but capped at statewide average	Yes
Minnesota 1991	Local boards, state board (on appeal), and colleges and universities	Yes, state board if 2 votes on local board	No caps	Yes	Yes	Yes	May be less in some cases[1]	Yes
Mississippi 1997	State board (first approved by local board)	Limited/ ambiguous right of appeal to state board	6 state; preference for 1 per Congressional district and 1 for Delta region	Yes	No	Not specified	Not specified	Yes
Nevada 1997	Local board, with state department review	Not specified	No absolute cap; no limits on schools serving "at risk" students, variable local caps for others	No	No	Not specified	Not specified	Yes

BEST COPY AVAILABLE

1 Charter schools do not have bonding authority and do not receive excess local levy aid. In 1997, the state legislature approved additional aid to charter schools to 1) partially defray the cost of leasing school space; and 2) provide some start-up aid to charter schools during their first two years of operation.

EXHIBIT B-1—CONTINUED
COMPARISON OF MAJOR POLICY ELEMENTS OF CHARTER SCHOOL REFORM LEGISLATION
(29 STATES AND THE DISTRICT OF COLUMBIA, AS OF DECEMBER 1997)

State/Year	Charter approving agencies and sponsors	Appeal of charter denial	Cap on number of charters allowed in state and by district	Automatic wavier of most state education laws and regulations	Charter school may employ and/or bargain with staff independently	Charter school may be independent legal entity	Basic operational funding generally comparable with other schools	School operates under limited-term, performance-based contract
New Hampshire 1995	State board (after local board and voter approval)	Yes, state board/ state supreme court	10 per year state; cap expires 2000	Yes	Yes	Yes	Yes for conversions; new starts receive a minimum of 80% at the discretion of the Dept. of Ed.	Yes
New Jersey 1996	State Commissioner of Education	Yes, state board	135 state; cap expires 2000	No, regulations only may be waived upon request	Yes, with some restrictions, for new starts; no for conversions	Yes	No, 90 to 100%, negotiated	Yes
New Mexico 1993	State board	No	5 state	No, may request waivers from state board	Not specified	Not specified	No	Not specified
North Carolina 1996	Local boards, state university trustees, and state board	Yes, state board	100 state 5 per year, per district	Yes	Yes	Yes	Yes	Yes
Ohio 1997	Local boards; state board also for new starts	Not specified	No caps	Yes	No for conversions; apparently yes for new starts	Yes	Yes	Yes
Pennsylvania 1997	Local school boards; appeal board may grant upon appeal	Yes, beginning 1999–2000 school year, appeal board established for this purpose by charter statute	No limit	Yes	Yes	Yes	Yes	Yes

State/Year	Charter approving agencies and sponsors	Appeal of charter denial	Cap on number of charters allowed in state and by district	Automatic wavier of most state education laws and regulations	Charter school may employ and/or bargain with staff independently	Charter school may be independent legal entity	Basic operational funding generally comparable with other schools	School operates under limited-term, performance-based contract
Rhode Island 1995	State Board of Regents (with approval of Commissioner and/or local board)	Not specified	20 state (10 must benefit at-risk youth)	No, may apply for waivers	No	No	Yes	Yes
South Carolina 1996	Local boards	Yes, but state board may not actually grant charter	No caps	Yes	Yes for new starts; No for conversions	Yes	Yes	Yes
Texas (Campus) 1996	Local boards	No	No caps	Yes	Not specified	Presumably yes	Not specified, presumably negotiated	No, no term specified
Texas (Open Enrollment) 1996	State board	No	100 statewide, except that schools serving at least 75% at-risk students are not subject to cap	Yes	Yes	Presumably yes	Yes	No, no term specified
Wisconsin 1993	Local boards; Dept. of Public Instruction, City Council, and Vocational Tech. Board may grant to Milwaukee	No, except DPI may grant in Milwaukee	No caps	Yes	No, except Milwaukee	No, except Milwaukee	Negotiable	Negotiable
Wyoming 1995	Local boards	No	No caps	Not specified	Not specified	Not specified	Yes	Yes

BEST COPY AVAILABLE

APPENDIX C

Overview of Telephone Survey Response Patterns

Three telephone surveys were administered to charter schools. The First-Year Report discusses results from the 225 schools that responded to a telephone survey administered in the spring of the 1995–96 school year. Data for additional charter schools were made available after the publication of the First-Year Report. In all, 230 charter schools out of 252 schools (91 percent) which were in operation as of January 1, 1996, responded to the first survey.

State	Number of operational charter schools as of January, 1997	Number of survey respondents as of the1996–97 school year
California	112	100
Arizona	103	92
Michigan	76	69
Colorado	32	31
Minnesota	19	19
Massachusetts	22	17
Texas	17	14
Wisconsin	11	10
Georgia	12	9
Florida	5	5
New Mexico	5	4
Louisiana	3	3
Alaska	3	2
Delaware	2	2
District of Columbia	3	2
Hawaii	2	2
Illinois	1	0
Total	428	381

A follow-up survey was administered to these survey respondents one year after their initial survey response. Responses were received from 182 of the original 225 (81 percent) responding charter schools.

A third telephone survey was administered in the spring of 1997 to 179 charter schools that began operation after January 1997; 153 schools responded.

We estimate that up until the 1996–97 school year 433 charter schools were opened, five of which subsequently closed. Two schools closed prior to the period of our data collection. Three additional schools closed between the 1995–96 and 1996–97 school years (the period of our data collection for purposes of this report) making a total of 428 operational charter schools. Of these 428 schools, 383 schools responded to the surveys as of the 1996–97 school year. Two of the three schools that closed between the 1995–96 and 1996–97 school

EXHIBIT C-1
ESTIMATED SCHOOL ENROLLMENT OF CHARTER SCHOOLS (1996–97)[1] AND ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES (1994–95)[2] BY STATE

State		% of schools that have the following enrollment sizes <200 Students	200–599 Students	600 + Students	# of schools
California	charter	41.8%	25.5%	32.7%	110
	state	13.8%	38.1%	48.1%	7,821
Arizona	charter	69.9%	25.8%	4.3%	93
	state	14.6%	35.0%	50.4%	1,100
Michigan	charter	77.1%	21.4%	1.4%	70
	state	13.6%	64.7%	21.7%	3,426
Colorado	charter	54.8%	38.7%	6.5%	31
	state	23.8%	52.9%	23.2%	1,407
Minnesota	charter	84.2%	15.8%	0.0%	19
	state	32.3%	40.8%	26.9%	1,906
Massachusetts	charter	63.6%	27.3%	9.1%	22
	state	10.6%	62.8%	26.6%	1,800
Texas	charter	75.0%	25.0%	0.0%	16
	state	17.5%	44.1%	38.4%	6,477
Georgia	charter	0.0%	25.0%	75.0%	12
	state	2.7%	41.8%	55.5%	1,766
Wisconsin	charter	90.9%	9.1%	0.0%	11
	state	22.1%	60.0%	17.9%	2,030
Florida	charter	100.0%	0.0%	0.0%	5
	state	14.3%	21.4%	64.3%	2,726
New Mexico	charter	20.0%	20.0%	60.0%	5
	state	27.5%	49.9%	22.6%	712
Louisiana	charter	100.0%	0.0%	0.0%	3
	state	9.5%	56.5%	34.0%	1,459
Alaska	charter	100.0%	0.0%	0.0%	2
	state	58.8%	29.9%	11.3%	478
Delaware	charter	50.0%	50.0%	0.0%	2
	state	16.5%	41.2%	42.3%	182
District of Columbia	charter	100.0%	0.0%	0.0%	2
	state	9.2%	73.6%	17.2%	174
Hawaii	charter	0.0%	100.0%	0.0%	2
	state	5.4%	40.5%	54.1%	242
Total	charter	61.3%	24.6%	14.0%	406
	state	16.4%	45.2%	38.3%	33,706

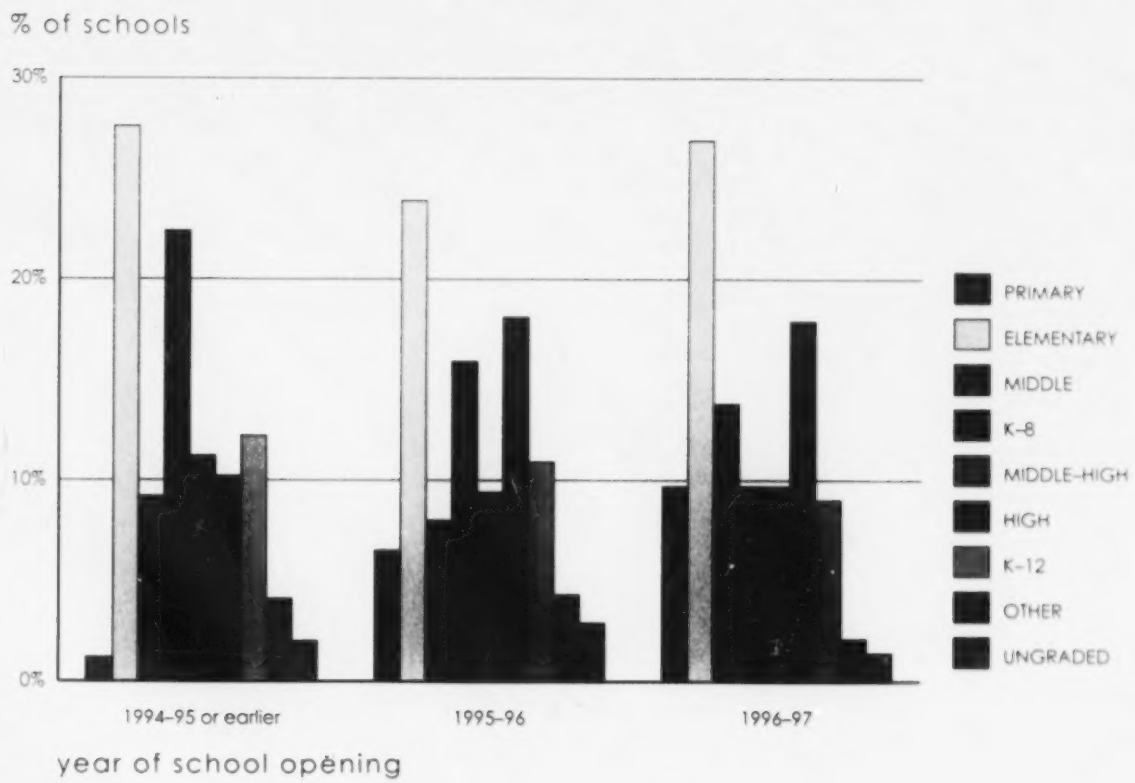
1 The data for this figure represent estimates using the telephone sample of 381 charter schools plus data gathered from other sources as described in an earlier footnote. The number of charter schools represented by these data is 406, which is 95 percent of the total number of operational charter schools in the 16 charter states. (We were unable to obtain estimated enrollment figures for 22 charter schools.) The triple line break between Wisconsin and Florida indicates that the states below the triple have so few charter schools that the percentages may not be meaningful. Illinois was not included in this state-by-state breakdown because the one charter school did not respond to our telephone survey.

2 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey, 1994–95. We use the CCD data here rather than data from the Digest of Education Statistics because the enrollment distribution is based on school-by-school enrollment figures; the Digest provided only overall enrollment figures for each state.

years responded to the surveys; these two schools were excluded from analyses discussed in this report. The resulting sample includes 381 charter schools.

This report discusses trends regarding charter schools and their students that have become evident over two years of the study. In other words, we have pooled data from our three telephone surveys and throughout this report focus our discussion primarily on results from this pooled sample. In most cases, we utilize the most up-to-date information from each charter school, generally from the 1996–97 school year. Although the pooled sample includes 381 schools, the total number of charter schools used in the figures and tables in this report varies somewhat because some schools did not answer several questions on the surveys.

EXHIBIT C-2
ESTIMATED PERCENTAGE OF CHARTER SCHOOLS BY GRADE LEVEL AND YEAR OF SCHOOL OPENING (1996–97)[1]



1 This figure relies on data from 381 open charter schools. Grade levels are defined as follows: Primary includes only grades K–3; Elementary includes any of grades K–3 and any of grades 4–6; Middle includes any of grades 5–8 and no grades K–4 or 9–12; K–8 includes any of grades K–1 and any of grades 4–6 and any of grades 7–8 and no grades 9–12; Middle-High includes any of grades 6–8 and any of grades 9–12 and no grades K–5; High includes any of grades 9–12 and no grades K–8; K–12 includes any of grades K–3 and any of grades 4–6 and any of grades 7–8 and any of grades 9–12; Other includes all other grade-level breakdowns; Ungraded indicates no grade levels used at the school.

EXHIBIT C-3
ESTIMATED SCHOOL SIZE AND GRADE LEVELS FOR CHARTER SCHOOLS (1996–97)[1] AND ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES (1994–95)[2]

A. PERCENTAGE OF CHARTER SCHOOLS BY GRADE LEVELS (READ PERCENTAGE ACROSS ROW)

	School size			
Charter schools	**<200 Students**	**200–599 Students**	**600 + Students**	**# of schools**
Primary	91.7%	4.2%	4.2%	24
Elementary	51.5%	28.3%	20.2%	99
Middle	76.5%	5.9%	17.6%	34
K–8	64.1%	29.7%	6.3%	64
Middle-high	65.8%	21.1%	13.2%	38
High	68.9%	23.0%	8.2%	61
K-12	46.2%	41.0%	12.8%	39
Other	69.2%	30.8%	0.0%	13
Ungraded	87.5%	12.5%	0.0%	8
All charter schools	63.4%	25.0%	11.6%	380

B. PERCENTAGE OF ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES (READ PERCENTAGE ACROSS ROW)

	School size			
All public schools	**<200 Students**	**200–599 Students**	**600 + Students**	**# of schools**
Primary	30.1%	55.9%	14.0%	1,868
Elementary	7.1%	57.4%	35.4%	16,478
Middle	8.6%	33.8%	57.6%	4,823
K–8	30.0%	42.7%	27.3%	1,466
Middle-high	39.1%	29.8%	31.1%	2,019
High	24.3%	22.5%	53.1%	5,100
K-12	52.2%	32.3%	15.6%	1,002
Other	29.3%	51.5%	19.2%	714
Ungraded	78.8%	17.4%	3.8%	236
All public schools	16.4%	45.2%	38.3%	33,706

1 This figure relies on data from 380 charter schools. One charter school was excluded from the analysis because of missing enrollment information.

2 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey, 1994–95. This figure relies on data from all operational public schools in the 16 charter states which reported student enrollment.

EXHIBIT C-4
ESTIMATED PERCENTAGE OF NEWLY CREATED OR PRE-EXISTING CHARTER SCHOOLS BY GRADE LEVEL (1996–97)

A. PERCENTAGE OF CHARTER SCHOOLS BY GRADE LEVEL AND NEWLY CREATED OR PRE-EXISTING (READ PERCENTAGE ACROSS ROW)

	Newly Created	Pre-existing Public	Pre-existing Private	Total
Primary	58.3%	12.5%	29.2%	6.3%
Elementary	52.5%	32.3%	15.2%	26.0%
K–8	68.8%	17.2%	14.1%	16.8%
Middle	70.6%	29.4%	0.0%	8.9%
Middle-high	63.2%	18.4%	18.4%	10.0%
High	57.4%	36.1%	6.6%	16.0%
K–12	70.0%	17.5%	12.5%	10.5%
Other	76.9%	0.0%	23.1%	3.4%
Ungraded	75.0%	12.5%	12.5%	2.1%
# of schools	237	93	51	381

B. PERCENTAGE OF CHARTER SCHOOLS BY NEWLY CREATED OR PRE-EXISTING AND GRADE LEVEL (READ PERCENTAGE DOWN COLUMN)

	Newly Created	Pre-existing Public	Pre-existing Private	Total
Primary	5.9%	3.2%	13.7%	6.3%
Elementary	21.9%	34.4%	29.4%	26.0%
K–8	18.6%	11.8%	17.6%	16.8%
Middle	10.1%	10.8%	0.0%	8.9%
Middle-high	10.1%	7.5%	13.7%	10.0%
High	14.8%	23.7%	7.8%	16.0%
K–12	11.8%	7.5%	9.8%	10.5%
Other	4.2%	0.0%	5.9%	3.4%
Ungraded	2.5%	1.1%	2.0%	2.1%
# of schools	237	93	51	381

APPENDIX D

Supplemental Exhibits for Chapter IV

This Appendix presents exhibits on racial concentration (Exhibits D-1 and D-2) as well as on state-by-state statistics that compare charter schools to all public schools on enrollment and racial distributions (Exhibits D-3–D-5).

Racial Concentration and School Size. The text in Chapter IV conjectures that there might be a relationship between racial concentration and school size. This issue may be important in the charter school context because there is a higher proportion of small charter schools than other public schools. Exhibits D-1 and D-2 provide data to examine this conjecture.

Chapter IV divides the distribution of the school percentages of White students into three categories of *racial concentration:* predominantly non-White (the percentage of schools that have less than one-third White students), diverse (between one-third and two-thirds White students), and predominantly White (two-thirds or more White students). Exhibit D-1 shows that:

(1) Most charter schools serve either predominantly White students (51 percent) or predominately students of color (28 percent, see Table b, column 5, rows 1 and 3), as reported earlier.

(2) Most charter schools are small (64 percent enroll fewer than 200 students, see table (c) column 2, row 5), as reported earlier.

(3) Smaller charter schools (those with fewer than 600 students) are more likely to serve predominantly White students than are larger charter schools (about one out of two of all charter schools are smaller charter schools that serve predominantly White students, see Table b, columns 2–3, row 4).

Exhibit D-2 represents comparable calculations for all public schools in the 16-state base. The data in both exhibits taken together suggest that:

(1) At a broad level, the racial concentration is about the same for charter schools as for all public schools, as reported earlier (see Table b, column 5 in both tables).

(2) Charter schools have a much higher percentage of small schools than all public schools (64 percent compared to 17 percent, see Table c, row 5, column 2 in both tables).

(3) The size of the school does not have a strong effect on racial concentration, except that larger schools are more likely to serve non-White students for both charter and public schools.

Together these data suggest that charter schools have racial concentration patterns similar to all public schools, except that charter schools tend to have a higher proportion of smaller schools more focused on serving students of color.

EXHIBIT D-1
ESTIMATED SIZE VERSUS RACIAL CONCENTRATION FOR ALL CHARTER SCHOOLS IN THE SIXTEEN CHARTER STATES (1996–97)[1]

A. PERCENTAGE OF ALL CHARTER SCHOOLS IN SAMPLE

Proportion of White students	<200 students	200–599 students	600+ students	# schools
0–1/3	17.4%	6.8%	3.5%	102
1/3–2/3	11.7%	5.4%	3.8%	77
2/3–1	34.5%	12.8%	4.1%	189
# schools	234	92	42	368

B. PERCENTAGE OF SCHOOL SIZE (READ PERCENTAGE DOWN COLUMN)

Proportion of White students	<200 students	200–599 students	600+ students	$ all schools
0–1/3	27.4%	27.2%	31.0%	27.7%
1/3–2/3	18.4%	21.7%	33.3%	20.9%
2/3–1	54.3%	51.1%	35.7%	51.4%

C. PERCENTAGE OF PROPORTION OF WHITE STUDENTS (READ PERCENTAGE ACROSS ROW)

Proportion of White students	<200 students	200–599 students	600+ students
0–1/3	62.7%	24.5%	12.7%
1/3–2/3	55.8%	26.0%	18.2%
2/3–1	67.2%	24.9%	7.9%
% all schools	63.6%	25.0%	11.4%

1 The number of responding charter schools includes 368 open charter schools with valid racial and enrollment data.

EXHIBIT D-2
SIZE VERSUS RACIAL CONCENTRATION FOR ALL PUBLIC SCHOOLS IN SIXTEEN CHARTER STATES (1994-95)[1]

A. PERCENTAGE OF ALL CHARTER SCHOOLS IN SAMPLE

Proportion of White students	<200 students	200–599 students	600+ students	# schools
0–1/3	3.4%	10.0%	11.5%	8,332
1/3–2/3	3.6%	10.1%	10.0%	7,951
2/3–1	9.5%	25.2%	16.7%	17,243
# schools	5,528	15,186	12,811	33,526

B. PERCENTAGE OF SCHOOL SIZE (READ PERCENTAGE DOWN COLUMN)

Proportion of White students	<200 students	200–599 students	600+ students	$ all schools
0–1/3	20.6%	22.0%	30.1%	24.9%
1/3–2/3	22.0%	22.3%	26.1%	23.7%
2/3–1	57.4%	55.7%	43.8%	51.4%

C. PERCENTAGE OF PROPORTION OF WHITE STUDENTS (READ PERCENTAGE ACROSS ROW)

Proportion of White students	<200 students	200–599 students	600+ students
0–1/3	13.7%	40.1%	46.3%
1/3–2/3	15.3%	42.7%	42.1%
2/3–1	18.4%	49.0%	32.5%
% all schools	16.5%	45.3%	38.2%

1 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey, 1994–95. For this figure, all public schools refers to open public schools in the sixteen charter states which reported student enrollment and where student enrollment matched the number of students in each of the five census categories.

EXHIBIT D-3
ESTIMATED ENROLLMENT BY RACE FOR CHARTER SCHOOLS (1996–97)[1]
AND ALL PUBLIC SCHOOLS IN SIXTEEN CHARTER STATES (1994–95)[2]

		Percentage of enrollment in charter schools and all public schools in the state						
State		**White**	**Black**	**Hispanic**	**Asian or Pacific Islander**	**American Indian or Alaska Native**	**Other[3]**	**# of students**
California	charter	47.4%	11.0%	33.2%	6.7%	1.2%	0.5%	41,697
	state	41.4%	8.7%	37.9%	11.2%	0.9%	NA	5,342,071
Arizona	charter	51.4%	9.1%	17.2%	1.2%	21.1%	0.1%	14,960
	state	58.4%	4.3%	28.7%	1.7%	7.0%	NA	722,487
Michigan	charter	50.2%	40.2%	3.3%	1.6%	3.7%	1.0%	9,891
	state	77.4%	17.5%	2.6%	1.5%	1.1%	NA	1,611,324
Colorado	charter	80.5%	5.3%	10.2%	2.5%	1.6%	0.0%	6,342
	state	73.5%	5.4%	17.6%	2.5%	1.0%	NA	640,503
Minnesota	charter	52.8%	27.6%	2.4%	9.0%	8.1%	0.0%	2,142
	state	88.1%	4.5%	1.8%	3.7%	1.9%	NA	820,422
Massachusetts	charter	54.7%	23.3%	19.1%	2.4%	0.1%	0.4%	3,921
	state	79.0%	8.1%	9.0%	3.8%	0.2%	NA	861,178
Texas	charter	18.0%	26.3%	51.9%	2.1%	0.0%	1.7%	2,264
	state	47.1%	14.4%	36.0%	2.3%	0.2%	NA	3,676,675
Wisconsin	charter	74.3%	18.8%	3.8%	2.6%	0.5%	0.0%	1,043
	state	83.7%	9.3%	3.1%	2.6%	1.3%	NA	860,686
Georgia	charter	74.6%	19.6%	4.0%	1.3%	0.4%	0.0%	5,880
	state	59.1%	37.5%	1.8%	1.5%	0.1%	NA	1,270,632
Florida	charter	42.2%	52.0%	0.4%	5.4%	0.0%	0.0%	446
	state	58.7%	24.9%	14.5%	1.7%	0.2%	NA	2,151,975
New Mexico	charter	45.4%	5.5%	37.2%	4.5%	7.4%	0.0%	3,699
	state	39.9%	2.4%	46.4%	1.0%	10.4%	NA	324,569
Louisiana	charter	43.1%	53.7%	1.8%	0.0%	1.4%	0.0%	281
	state	51.5%	45.7%	1.1%	1.3%	0.5%	NA	797,933
Alaska	charter	80.2%	4.4%	4.4%	3.3%	7.7%	0.0%	91
	state	64.7%	4.8%	2.6%	4.1%	23.8%	NA	126,581
Delaware	charter	61.7%	29.7%	3.4%	5.2%	0.0%	0.0%	290
	state	65.4%	29.1%	3.6%	1.7%	0.2%	NA	106,813
District of Columbia	charter	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	174
	state	4.0%	88.0%	6.6%	1.3%	0.0%	NA	80,450
Hawaii	charter	22.8%	7.2%	9.7%	43.0%	1.1%	16.1%	832
	state	21.7%	1.8%	4.7%	71.5%	0.3%	NA	89,952

1 The number of responding charter schools includes 368 open charter schools with valid racial data. By valid racial data, we mean schools where the number of students in the racial categories added to the total student enrollment.

2 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey, 1994–95. For this exhibit, all public schools refers to open public schools in the 16 charter states which reported student enrollment and where student enrollment matched the count of students in each of the five census categories.

3 The National Center for Education Statistics does not report an "other" racial category.

EXHIBIT D-4
COMPARING ALTERNATIVE MEASURES OF RACIAL ENROLLMENT PATTERNS FOR CHARTER SCHOOLS (1996–97)[1] AND ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES (1994–95)

State		% of White students statewide (pooled data)	Average school percentage of White students	% of schools that have >2/3 non-White students	% of schools that have >2/3 White students
California	charter	47.4%	56.5%	28.1%	44.8%
	state	41.4%	46.4%	36.7%	32.3%
Arizona	charter	51.4%	58.4%	27.3%	56.8%
	state	58.4%	56.1%	26.1%	46.9%
Michigan	charter	50.2%	54.8%	34.3%	49.3%
	state	77.4%	79.4%	11.8%	80.1%
Colorado	charter	80.5%	83.5%	0.0%	83.3%
	state	73.5%	74.3%	7.7%	70.6%
Minnesota	charter	52.8%	52.8%	36.8%	42.1%
	state	88.1%	85.9%	4.5%	85.6%
Massachusetts	charter	54.7%	69.8%	25.0%	62.5%
	state	79.0%	80.6%	9.1%	79.3%
Texas	charter	18.0%	17.6%	78.6%	14.3%
	state	47.1%	50.4%	32.5%	39.1%
Wisconsin	charter	74.3%	78.7%	10.0%	70.0%
	state	83.7%	87.0%	5.6%	88.4%
Georgia	charter	74.6%	73.1%	0.0%	75.0%
	state	59.1%	57.5%	24.3%	45.9%
Florida	charter	42.2%	45.3%	40.0%	40.0%
	state	58.7%	58.6%	20.7%	49.2%
New Mexico	charter	45.4%	47.1%	0.0%	0.0%
	state	39.9%	38.5%	44.8%	17.6%
Louisiana	charter	43.1%	48.1%	0.0%	0.0%
	state	51.5%	51.2%	29.5%	37.6%
Alaska	charter	80.2%	80.6%	0.0%	100.0%
	state	64.7%	47.5%	40.6%	44.4%
Delaware	charter	61.7%	69.4%	0.0%	50.0%
	state	65.4%	63.4%	2.2%	40.7%
District of Columbia	charter	0.0%	0.0%	100.0%	0.0%
	state	4.0%	5.3%	93.7%	2.9%
Hawaii	charter	22.8%	26.0%	50.0%	0.0%
	state	21.7%	22.4%	81.1%	1.6%

1 The number of responding charter schools includes 368 open charter schools with valid racial data.

EXHIBIT D-5
ESTIMATED CONCENTRATION OF STUDENTS BY RACE FOR CHARTER SCHOOLS (1996–97)[1] AND ALL PUBLIC SCHOOLS IN THE SIXTEEN CHARTER STATES (1994–95)[2]

State		% of schools that have the following proportion of White students			# of schools
		<1/3	1/3–2/3	>2/3	
California	charter	28.1%	27.1%	44.8%	96
	state	36.7%	31.0%	32.3%	7,821
Arizona	charter	27.3%	15.9%	56.8%	88
	state	26.1%	27.0%	46.9%	1,100
Michigan	charter	34.3%	16.4%	49.3%	67
	state	11.8%	8.1%	80.1%	3,423
Colorado	charter	0.0%	16.7%	83.3%	30
	state	7.7%	21.6%	70.6%	1,407
Minnesota	charter	36.8%	21.1%	42.1%	19
	state	4.5%	9.9%	85.6%	1,905
Massachusetts	charter	25.0%	12.5%	62.5%	16
	state	9.1%	11.6%	79.3%	1,764
Texas	charter	78.6%	7.1%	14.3%	14
	state	32.5%	28.4%	39.1%	6,477
Wisconsin	charter	10.0%	20.0%	70.0%	10
	state	5.6%	6.0%	88.4%	2,030
Georgia	charter	0.0%	25.0%	75.0%	8
	state	24.3%	29.8%	45.9%	1,766
Florida	charter	40.0%	20.0%	40.0%	5
	state	20.7%	30.1%	49.2%	2,708
New Mexico	charter	0.0%	100.0%	0.0%	4
	state	44.8%	37.6%	17.6%	710
Louisiana	charter	0.0%	100.0%	0.0%	3
	state	29.5%	32.8%	37.6%	1,459
Alaska	charter	0.0%	0.0%	100.0%	2
	state	40.6%	15.1%	44.4%	478
Delaware	charter	0.0%	50.0%	50.0%	2
	state	2.2%	57.1%	40.7%	182
District of Columbia	charter	100.0%	0.0%	0.0%	2
	state	93.7%	3.4%	2.9%	174
Hawaii	charter	50.0%	50.0%	0.0%	2
	state	81.1%	17.2%	1.6%	122
Total	charter	27.7%	20.9%	51.4%	368
	state	24.9%	23.7%	51.4%	33,526

1 This exhibit draws on data from 368 open charter schools with valid racial data.

2 Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data Survey, 1994–95.

APPENDIX E

Charter Schools and Title I

Some observers have questioned whether charter schools have been able to garner their fair share of federal funding. The question raises a complex set of issues around the status of charter schools and their relationships to the traditional organizational structure of the educational systems in their state. Although we are not able to provide a full answer to the question of access to federal funding, we are able to provide some information on charter schools' access to funding from Title I—the largest program of federal support for schools.

Title I is a federal program that provides assistance to schools and districts serving in areas with high concentrations of low-income students. Under the program, the federal government awards grants through state education agencies to school districts serving low-income students. Districts in turn distribute Title I funds to schools based on their concentrations of students in poverty. Title I program regulations require districts to rank each of their schools from those serving the highest to the lowest percentage of low-income children. Districts must serve, in order of poverty, schools enrolling more than 75 percent of students from low-income families. The regulations allow districts to make decisions on serving the remaining schools based on their rankings.

Because charter schools do not always fit easily within the administrative and funding structures designed to provide funds for disadvantaged students, their participation in Title I and other federal programs available to public schools has not been fully resolved in many states and districts.[1] For example in some states (e.g., Arizona and Michigan), charter schools are considered to be independent districts and as such qualify for basic grants if they have a minimum threshold of ten eligible students who make up more than two percent of the school's population (the rule for district eligibility). In other states (e.g., California and Colorado), charter schools are treated as district schools and are funded based on the 75 percent rule and district policy described above. Charter schools face an additional obstacle. Because Title I funding is typically based on enrollment data from the previous year, newly created schools are not eligible for Title I funds in their first year of operation.[2]

In our telephone survey, we asked charter schools whether they were eligible for Title I funds. Respondents who answered affirmatively were then asked if they were receiving Title I funds. Exhibit E-1 presents the data from the survey.

Because of the complexities surrounding charter schools and Title I, one must interpret data on charter schools' Title I eligibility and actual participation carefully (see Exhibit E-1). Consequently, for the purpose of this analysis, we will focus on reported eligibility for Title I, rather than reported receipt of Title I funds.[3] The third data column in Exhibit E-1 shows that the percentage of charter schools reporting eligibility for Title I varies greatly across states.[4] In Texas, all the charter schools reported eligibility, while in Wisconsin only 11 percent reported that they were eligible.

In 1998, the U.S. Department of Education issued guidance to state departments of education that specifically allows more flexibility for determination of charter school eligibility in their first year of operation. Over the remainder of the study, we will continue to track charter schools and Title I.

1 Charter schools' eligibility for Title I can be complicated; eligibility depends on (1) whether the charter school is part of a school district or independent from any district; (2) the poverty rate of the charter school; and (3) the poverty cutoff that determines schools' eligibility for Title I in the district. Thus, in the 1996–97 school year, slightly more than 69 percent of charter schools reported that they were eligible to receive Title I funds, yet only slightly more than half (53 percent) of these schools reported that they receive funding under the program (see Exhibit E-1). This finding is about the same as last year's. Last year's report noted that two-thirds of charter schools said that they were eligible to receive Title I funds, but only about one-half actually received them.

2 In 1998, the U.S. Department of Education issued guidance to state departments of education that specifically allows more flexibility for determination of charter school eligibility in their first year of operation.

3 Of the 182 schools that responded to the follow-up survey, 46 schools reported a change in their eligibility for Title I between the two school years: 21 schools became ineligible for Title I, 19 schools became eligible, and six schools did not provide information on eligibility for the 1996–97 school year. Of the 19 schools that reported becoming eligible for Title I funding during the 1996–97 school year, only six schools (32 percent) reported receiving Title I funding for that school year.

4 We were unable to obtain data on Title I eligibility for all public schools within the 16 charter states.

EXHIBIT E-1
STATE-BY-STATE COMPARISON OF CHARTER SCHOOLS: REPORTED ELIGIBILITY AND RECEIPT OF TITLE 1 FUNDING (1996–97)

State	# of charter schools responding	# reporting eligibility[1]	% reporting eligibility	# reporting eligibility that receive funding[2]	% reporting eligibility that receive funding
California	95	54	56.8%	31	60.8%
Arizona	86	63	73.3%	29	46.0%
Michigan	66	55	83.3%	21	38.2%
Colorado	30	17	56.7%	5	31.3%
Minnesota	18	15	83.3%	10	66.7%
Massachusetts	16	12	75.0%	9	75.0%
Texas	14	14	100.0%	12	85.7%
Wisconsin	9	1	11.1%	1	100.0%
Georgia	9	6	66.7%	5	83.3%
Florida	4	2	50.0%	1	50.0%
New Mexico	4	2	50.0%	1	50.0%
Louisiana	3	2	66.7%	2	100.0%
Alaska	2	1	50.0%	1	100.0%
Delaware	2	2	100.0%	2	100.0%
District of Columbia	2	2	100.0%	0	0.0%
Hawaii	2	0	0.0%	0	—
Total	362	248	68.5%	130	53.3%

1 The exhibit draws on data from 362 open charter schools that provided information on Title I eligibility.

2 Four charter schools that were eligible for Title I did not provide information on receipt of Title I funding; data on these schools are excluded from the percentages presented in the final column of this exhibit.

About This Study

At the recommendation of Congress, the U.S. Department of Education (ED) is sponsoring a National Study of Charter Schools. The Study is funded under contract number RC 95 196001 to RPP International, and is monitored by the National Institute on Student Achievement, Curriculum, and Assessment. The research contract is coordinated with the other ED charter school activities, including the State Grant Program, monitored by the Department's Office of Elementary and Secondary Education.

The four-year study includes:

- **An annual survey of all charter schools;**
- **An ethnographic study of a stratified random sample of charter schools;**
- **Longitudinal data on student achievement at a sample of charter schools;**
- **Comparison of student achievement data in a sample of charter schools and their districts; and**
- **State-level policy studies.**

An electronic copy of this report, its Executive Summary, and other material from the National Study also may be found at the following World Wide Web sites:

http://www.rppintl.com/

http://www.ed.gov/pubs/

http://www.uscharterschools.org/

ISBN 0-16-049752-3

90000

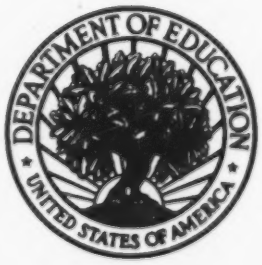
9 780160 497520

United States
Department of Education
Washington, DC 20208–5573

Official Business
Penalty for Private Use, $300

Postage and Fees Paid
U.S. Department of Education
Permit No. G–17

Standard Mail (B)



SAI 98–3033

BEST COPY AVAILABLE